

Britain insists on EEC summit within a few weeks

is requested postponement week's EEC summit meet- cause of its difficulties in a new Government. The was to have discussed Britain's EEC budget contributions. The Foreign Office said Britain would only agree to a postponement if a firm date before the end of April, was set for a new meeting.

Italy urges delay after crisis

Foreign Staff
reign and Common-
fice said last night
n would only agree
onement of the EEC
to have been held
next week, if there
agreement on a new,
for the meeting. It
t this date must be
next few weeks,
latest before the end
menx of the summit
ed earlier yesterday.
The Foreign Office
ant was made after
between Lord Car-
e Foreign Secretary,
Andrea Cagiani, the
Ambassador. The
Office said it was
that Italy had
necessary to propose
ment of the meet-
at it understood the
political problems
made it difficult to
meeting on the pre-
ceded date.
s not been a sudden
res in Britain about
is of resolving the
it dispute which was
en discussed at the
n the contrary. But
to focus the atten-
tion of the members
of the problem of
excessive payments
ne and difficult, and
Minister and Foreign
do not want to see
d.
ter to tackle the
ments issue at an
it is felt, than wait-
ing to turn up later.
ish view, therefore,
should not be left
Venice Council in
t probably take more
than one meeting, in any case,
to reach a solution.
Michael Hornsby, writes from
Brussels: Italy, which currently
last week by President, gave
as its reason for postponing the
meeting the fact that Signor
Francesco Cossiga, the Italian
Prime Minister, was too em-
broiled in the business of
forming a new Government to
give his full attention to the
preparation of the summit,
which was to have been held
on March 31 and April 1.
The Italian explanation
evoked marked scepticism here,
particularly as only last week
Signor Arnaldo Forlani, the
Italian Foreign Minister, said
publicly that he did not regard
the latest Italian crisis as
grounds for postponing the
summit.
There was informed speculation
that a tour of EEC capitals
just west by a senior Italian
official produced such a nega-
tive assessment of the chances
of agreement on the British
budget problem that this
prompted Rome to seek a sum-
mit postponement.
The Italians were reliably
reputed to have become
seriously alarmed by the sharp
deterioration in relations
between Britain and France
and by Mrs Margaret
Thatcher's threat to withhold
British value-added tax pay-
ments to Brussels if she got no
satisfaction next week on her
budget demands.
Member states' permanent
representatives in Brussels,
who were convened earlier in
the day to be told of the
Italian decision, were meeting
again this evening to discuss a
new date for the summit.
British officials did not
bother to conceal their irrita-
tion and dismay at the post-
ponement, which has put Mrs
Thatcher in a particularly deli-
cate position. Last November in
Dublin she said that the end of
March was the absolute dead-
line for securing satisfaction on
Britain's budget claim.
There were suggestions in
British circles that the Italians
had behaved improperly in an-
nouncing the summit postpone-
ment in the way they did,
apparently after no more than
minimal consultation with their
Community partners. Journal-
ists here learnt of the Italian
decision before the British
Government.
The postponement was said
by informed sources to have
been welcomed privately by
France and Germany, who ap-
pear to believe that it could
provide a breathing space for
temper to cool and for the
search for a "package" solu-
tion to the budget crisis to be
pursued.
The French are keen that any
solution on the budget should
be linked to counter-concessions
from Britain on lamb, fisheries
and this year's EEC farm price
settlement. Germany is in-
terested in securing a political
commitment from Mrs Thatcher
on the availability of North Sea
oil in a supply crisis.
A statement issued on behalf
of Mr Roy Jenkins, the Presi-
dent of the European Commis-
sion, expressed sympathy for
the reasons given by the Ital-
ians for the postponement but
added that the Commission
hoped "the European Council
will be held as soon as pos-
sible".
Rome, Paris and London
reaction, page 5
Leading article, page 13

Carrington plea on budget

Arrigo Levi talks to
Lord Carrington in an
exclusive interview on
the EEC budget crisis
and relations with the
Soviet Union.
more acrimonious, or anyway
more difficult to solve. The
problem we have is that, quite
clearly, a large sum of money
is involved, and if Britain pays
less somebody else pays more,
which is a difficult thing for
countries to accept: they have
their domestic problems, just as
we have.
"But our domestic problems
are very compelling. There is
a feeling in this country that
when people are being asked to
tighten their belts, to do with-
out things that they want very
badly, and to have compensable
cuts in areas where this is going
to hurt people very much, it is
very difficult at the same time
to justify a transfer of resources
of the order of £1,150 million
to the Community.
"People do not understand."
Continued on page 5, col 1

ops help es e Chad

Pondaven
France-Press
March 24
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liffed 135 white
smoke and artillery
djamena and flew
An-shites fled the fight-
had capital crossing
to Cameroon terri-
craft were able to
rom Ndjamena air-
has been closed
y night and is still
civilian flights be-
served trained on its
airport was to take
the day for Donala,
ry as hastily con-
French military en-
er the civilians cross
river.
erupted early today
d day between Presi-
dant Weddeya's pri-
and that of Mr
bre, the Minister of
i whose stronghold
d were reported.
the estimated 900
ing here, mostly
did not leave their
use of the fighting.
diers were trying to
through the debris-
to the base near
i where the 1,000-
ench troops are
Q writes reached the
light during a lull in
5-
20 States yesterday
Mr Donald Norland,
ssador, and their
evacuate.
hern leader, Colonel
delkader Kamougue
ed heading towards
to strengthen the
Popular Armed
ainst the Defence
Armed Forces of the
authorities, usually
miles south of
have already shelled
dvance post beyond
na bridge over the
r, which controls
he city.

London consulate blasted after arson attack

By Stewart Tandler
The five-storey offices of the
Italian Consul General in Eaton
Place, Balgavia, London, were
wrecked yesterday by an
explosion thought to have been
caused by a car which ignited a leaking gas
main.
Last night an Italian was
being questioned by members
of the anti-terrorist squad from
Scotland Yard but Commander
Peter Duffy, head of the squad,
said that a terrorist attack had
been ruled out.
The man is believed to be
aged 44 and a resident in
Britain for some years.
Residents in the area, one of
the most expensive in London,
were awakened when the blast
shook their homes at 3.30 am.
Fire followed and later, as
firemen and forensic scientists
began to gather debris in the
street, all that was left was a
blackened gap in the terrace
row.
Heavy lifting equipment was
brought in to remove masonry
left hanging precariously.
The Italian Embassy said the
building was occupied on a
lease dating back to the 1950s
and the explosion had destroyed
documents on up to 140,000
Italians working in Britain.
An emergency consulate was
opened at another building
belonging to the Italian Govern-
ment in Belgrave Square and
diplomats began searching for
new permanent premises.
Seven days ago there was a
small fire at another office
block used by the Italian
Embassy in Victoria.
Photograph, page 4

Go-ahead likely for UK reactors

Britain's nuclear expansion
programme is expected to be given
Cabinet approval this week.
Indications are that the Cab-
inet's energy committee would
back the Government's "think
tank's" recommendations that
orders for advanced gas cooled
British-designed reactors at
Heysham in Lancashire and
Torness in Scotland should not
be scrapped. Earlier a big cut-
back in the programme had
been feared.
Page 15

Cash could blunt the BBC's axe

The BBC set April 17 for de-
cisions on £130m cuts involving
1,500 jobs, but suggested that
outside "finance" could bring
adjustments. Gulf Oil extended
sponsorship for the Scottish
National Orchestra by a
£250,000 covenant.
Page 4



Footballers taken to Rome jail

Twelve Italian footballers and
the president of one of the
country's top sides were taken
to prison in Rome for interro-
gation on charges of rigging
matches for a betting ring.
Page 5

The Great Silver Robbery nets £4m

By Stewart Tandler
Silver bullion worth nearly
£4m was stolen yesterday on
the edge of London in the
biggest robbery yet in Britain.
The silver was being trans-
ported by road when the lorry
and escort were stopped by a
man wearing a police uniform
and the driver and guards were
overpowered by armed men.
The bullion, due to be loaded
on a waiting ship at Tilbury
Docks, left a silver vault in
Tooley Street, south London,
yesterday morning in a lorry
belonging to Jeppesen, Beaton,
a firm of shipbrokers.
The only man in the lorry
was the driver but the load was
escorted by two members of the
firm's staff in a white Chrysler
Alpine saloon.
The convoy drove out of the
centre of London without inci-
dent and at 10 am had reached
Barking, Essex, on the A13
trunk road leading to Tilbury,
when the lorry driver was
waved off the road.
The van and its escorting car
were directed into a lay-by
marked to a census point
leading by cones. As the two
vehicles halted a blue van,
rather like a Dormobile, was
ahead of them.
Six men carrying shotguns
burst out of the van. The bullion
driver and his escort were
bundled into the van and tied
up with stockings. The van was
driven to a lock-up garage in
Deptford, south London, and the
three men were inside until just
after 1 pm when they got free
and raised the alarm.
Last night detectives from
Scotland Yard's robbery squad
based at Walthamstow, east Lon-
don, were trying to put together
the details of the raid. Index
numbers were issued for the
missing lorry and the
Alpine car. The DAF lorry's
number is YBH 584S and the
car's LVY 278P.
The garage where the three
men were found is in King-
fisher Square, Deptford, at the
base of a tower block. The land-
lord of a nearby public house,
Mr Joseph Elliott, said that
when the alarm was raised five
police cars sped to the scene.
One of the escort was brought
into the public house and ques-
tioned.
Elliott said his clothes
were in disarray "like he had
been rolling in the dirt".
There was no explanation of
why the bullion was so lightly
escorted nor why it was being
driven through London appar-
ently without the police being
notified beforehand. The silver
had arrived from West
Germany.
The value of the silver ex-
ceeds the largest robbery to
date, the Great Train Robbery
in 1963, when £2.6m was stolen
from the mail train in Bucking-
hamshire. In 1974 £500,000 in
bullion was taken from an
armoured security van at
Croydon.
In the Great Train Robbery
the raiders, most of whom were
later captured, stole banknotes
which would have been easy to
dispose of. Bullion, on the other
hand, requires underworld contacts
and buyers to move.
The firm of Jeppesen, Beaton
was formed in 1947 and has 25
employees. Its headquarters is
in Whitechapel High Street, but
the firm has an office at Til-
bury. No one was available at
either address yesterday even-
ing.
The A13 is one of the busiest
roads in London, particularly
in the morning, and many
people must have seen the
vehicles parked in the lay-by
or the pseudo-policeman put-
ting out parking cones.
The Robbery Squad under
Supt David Little, based at
Walthamstow police station,
left hastily yesterday morn-
ing when they might have noticed
the vehicles, particularly the light-
blue Dormobile-type vehicle to
get in touch with them.

Heart patient doing well

Mr John Power, Britain's
latest heart transplant patient,
was continuing to make satis-
factory progress at Papworth
Hospital, Cambridge, yesterday.
Mr Power, aged 36, of
Withington, Manchester, re-
ceived his new heart on Friday
night.

Lord Soames in Mozambique

President Machel of Mozam-
bique and Lord Soames met in
Maputo and toasted the settle-
ment in Southern Rhodesia.
President Machel praised Mrs
Thatcher and the Conservatives
for trying to encourage to solve
the Rhodesian problem. On his
visit, Lord Soames will discuss
the possibility of Britain re-
suming aid to Mozambique.
Page 6

Car output halted: Production of BL's Mini halts after a strike of workers who claim that a new material is causing skin irritation

Hebron: Arabs begin protest
against Israel's decision to
establish Jewish schools on the
occupied West Bank

Channel Islands: A four-page
Special Report on finance,
tourism and agriculture
Classified advertisements: Per-
sonal, pages 23, 24; Appoint-
ments, 21, 22; Salerooms and
antiques, 22



The Shah and President Sadat on their arrival at the Cairo hospital

Ailing Shah finds sanctuary in a Cairo hospital

From Our Correspondent
Cairo, March 24
The Shah of Iran, ailing and homeless,
entered an Egyptian hospital today for
surgery on what his doctors believe is a
cancerous spleen.
Looking pale and haggard, older than
his 60 years, he was warmly greeted earlier
at the airport by President Anwar Sadat
who accompanied him by helicopter to the
Nile-side hospital, in suburban Cairo.
Overriding his critics at home, who
have argued that the presence of the Shah
could draw retaliation from Iranian revo-
lutionaries, and defying his critics in the
Arab world, Mr Sadat told journalists that
the former ruler was in Egypt "perman-
ently".
Iraq broke off relations with Egypt last
May after Egyptian officials say there is
no extradition treaty between the two
countries. "Even if there is one, in this
case Mr Sadat will never hand the Shah
over", one Foreign Ministry official said.
The Shah and his wife left Panama
yesterday as lawyers for the revolutionary
regime in Iran were submitting an official
demand for his extradition.
When he offered the Shah permanent

asylum in Egypt earlier this year, Mr
Sadat declared that it was totally against
Islamic principles to pursue a sick and
homeless man. He described Ayatollah
Khomeini, the Iranian revolutionary leader,
as a lunatic.
It is not immediately known when the
Shah will undergo surgery. A team of
Egyptian doctors started a series of tests
and analyses on him shortly after his
arrival. The head of the Maadi Hospital,
where the Shah is staying, told reporters
earlier today that the surgery could be
delayed for a few days, especially since the
former ruler needed rest after his long
journey.
A team of 15 physicians has been
assigned to the Shah and three others
have been asked to act as overall super-
visors of his condition. Most of the
physicians have military ranks since the
hospital itself is a military institution.
Doctors assured journalists that the
hospital is fully equipped to treat the
former ruler and that the cancerous spleen
surgery is performed regularly there.
The Shah's presence in Egypt drew
criticism from the small but vocal Leftist
party. Its leader, Mr Khaled Mohiaddin,
nicknamed the "Red Major" for the days
when he was the only pro-Moscow member
of the military junta which overthrew King
Farouk in 1952, said retaliation by Iranian
revolutionaries could be expected against
Egyptian establishments abroad.
"Egypt has enough trouble as it is in
the Arab world, and we do not need more
We are against his presence here," he
said.

The Socialist Labour Party, another
opposition group, also declared that the
Shah was not welcome. Its leader Mr
Ibrahim Shoukri, said recently that the
Shah would require extensive protection
measures and the money required could
be better used in improving the standard
of living in Egypt.
Since the Shah's arrival at the airport,
tight security measures have been en-
forced. Presidential security men searched
all visitors and journalists entering the
hospital and the Shah's second-floor com-
pound was sealed off.
Cairo, March 24.—President Sadat's
wife Jehan and their two daughters were
on hand at Maadi Hospital when the Shah
and his wife Farah arrived. Mrs Sadat
embraced the former empress at the en-
trance to the lift.
Also at the hospital were Mr Hosni
Mubarak, the Egyptian Vice-President, and
General Ahmed Badawi, chief of the
armed forces. The Shah and his party
drove to the hospital from the helicopter
pad in a convoy of a dozen black
limousines.
The influential newspaper *Al-Gomhouriya*
said today that the Shah was welcome in
Egypt for the support he had given the
country before and after the 1973 war
against Israel.
He provided Egypt with about \$1,000m
in loans and credits after the war and in
1974 sent huge quantities of oil to offset
a shortage.—Reuter.
United States tried to stop Shah, page 6
Leading article, page 13

James Kelly 'could have died anytime'

From David Nicholson-Lord
Liverpool
The inquest into the death of
James Kelly, aged 53, of
Huyton, near Liverpool, who
died last year in police custody,
was resumed after a nine-
month gap yesterday with the
disclosure that he had about 30
convictions, mainly for minor
offences, and that he had
heart trouble and could have
dropped dead at any moment.
It was also disclosed that the
four police officers involved in
his arrest would, despite fears
to the contrary, be giving evi-
dence. Mr George Carman, QC,
their counsel, said they would
answer any questions.
The list of Mr Kelly's con-
victions, including two for
assaults on the police, was read
out to the jury after Mr Gilbert
Gray, QC, for Mr Kelly's family,
objected that it would be quite
wrong for the impression to be
given that there were several
recent cases of violence.
Mr Andrew Rankin, QC, re-
presenting the Mersey, Oxford,
Chief Constable of Merseyside,
who was present at the hearing,
as were leaders of the Jimmy
Kelly Action Committee, many
of whom had been queuing
outside the courts at the small
council office in Whiston, near
Huyton, where the inquest is
being held.
Mr Ronald Lloyd, the Mersey-
criticised for not changing the
venue in view of public con-
cern over the case, opened
yesterday's hearing by speaking
of the interest which has been
actively promoted into the
circumstances of Mr Kelly's
death.
Some press and television

publicity has shown an astonish-
ing lack of knowledge on the
basic procedures of a coroner's
court, he said. Both the coroner
and the pathologist who chose
were "completely impersonal
and free from any bias or
prejudice".
Mr Kelly, an unemployed
bachelor, aged 53, of Stearn
Road, Huyton, died early on
June 21 last year, he said. After
spending the evening at the Oak
Tree public house with his
brother William, he left after
closing time to make his own
way home, normally a 10 or
15-minute walk.
From the moment he left the
public house shortly after 11
pm until just before midnight
it was not possible to trace his
whereabouts. Around midnight
he was described as singing,
shouting and obviously drunk.
He was seen to fall over a num-
ber of times and police officers
were called.
Mr Lloyd added: "It was
apparent that a considerable
struggle occurred between the
deceased and the two police
officers. Being unable to affect
an arrest, the police resorted to
the assistance which culminated in
the arrival of reinforcements
and the deceased being taken
in a police van to Huyton police
station."
There he was seen to go blue
in the face. An ambulance was
sent for but he was pronounced
dead on arrival at Whiston Hos-
pital at 12.30 am.
Later in the hearing it was
stated that the level of alco-
hol in Mr Kelly's blood at 3.51
pm was equivalent to 16 pints
of beer or 32 whiskies.
Report, page 4

Steelmen reject BSC's interim pay offer

By David Felton
Labour Reporter
Leaders of the two main
unions in the steel strike last
night rebuffed a call from the
British Steel Corporation for a
return to work tomorrow morn-
ing linked to an interim pay
offer of 10 per cent.
Instead of seeking an early
end to the strike, which enters
its thirteenth week tomorrow,
there were calls at a joint meet-
ing of the unions' executives to
intensify it by calling out safety
men who are maintaining blast
furnaces.
The corporation's offer de-
pendent on a chairman being
appointed this week for the
committee of inquiry which
would be set up to examine
BSC's 14.4 per cent pay and
conditions offer.
Mr William Sims, general ac-
curacy of the Iron and Steel
Trades Confederation, said the
joint executive meeting with the
National Union of Blastfurnace-
men had been "fairly rumbus-
tous" and that the request to
return to work had been re-
jected unanimously. Members of
the executives were unhappy
that the committee would con-
sider the pay dispute alone and
not the management of the
corporation.
The British Steel Corporation
had earlier launched a new
peace initiative aimed at get-
ting 135,000 striking steelmen
Continued on page 2, col 4

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E NEWS

10-year campaign to the spread of ear plants begins

Wright
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ar campaign against
ver was started yes-
the Friends of the
will be its most
attempt to halt the
of the atomic energy

term aim is to cut
ical boundaries so
hoped by the next
action most candi-
all parties will hold
ear view.
first time an environ-
up has embarked on
long-term strategy.
sh will be tested
as the campaign
according to Mr
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paign opened with
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by Dr Michael
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he booklet is the
omic and opera-
f the pressurized

A halt to the programme of
American pressurized water
reactors, that the Government
announced recently, is seen as
a key to success.

Dr Flood also draws together
for the first time a catalogue
of events over the past 10 years
in which nuclear stations in several
countries have been the subject
of malicious damage.

He describes these events as
being as disturbing as the
prospect of the theft of
plutonium by terrorist groups.

The intention at the early
stage of the campaign is to
emphasize three political
issues: security, fairness and
morality. The first topic is
already at the centre of a cam-
paign by Friends of the Earth
for the publication of safety
reports on the pressurized
water reactor. The aim is to
obtain an independent assess-
ment of these studies.

Mr Cooch Conroy, the
organization's campaign director,
argues a case for public
support for such a review, saying
that the nuclear industry is
investing massive public
relations activities with public
money. The Atomic Energy
Authority will spend £600,000
this year on propaganda.

He maintains that the dangers
and disadvantages are obscured
by such material.

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Atom waste decision 'is decades away'

From Our Correspondent
Cardiff

The decision on what form of
disposal will be chosen for
high-level radioactive waste
may not be taken for decades,
a minister said yesterday.

Mr Wyn Roberts, Parliamen-
tary Under-Secretary of State
for Wales, told members of
Fynys County Council that
only after long-term research
"is any future government
likely to choose underground
disposal as an option".

Environmental and farmers'
groups in Wales have been
protesting ever since it was
known that the Government
was embarking on a research
programme to determine the
potential of various geological
formations for underground
disposal.

Mr Roberts said there were
widespread misconceptions
about the scope, nature and
timing of the Government's
geological research programme.

"I want to make it absolutely
clear that no proposal has been
made, let alone a decision
taken, to dump radioactive
waste in Wales. The current
programme is one of research
to obtain information on which
sound judgements may be
made," he said.

The Government was also
considering the possibility of
disposing the waste on or under
the ocean bed.

A team of geologists from the
Institute of Geological Sciences
would carry out surface recon-
naissance of three areas of
England and two areas of Wales.

Whitehall brief: Moans from the ministries are encouraging New committees make an impressive start

By Peter Hennessy

A quick, random method of
testing the performance of the
new Commons select commit-
tees is to wander the corridors
at the Palace of West-
minster, hopping in and out of
an assortment of public hear-
ings, to see if our elected repre-
sentatives are giving hell to the
Executive as all lovers of
Parliament would wish them to do.

About 4.45 pm last Wednes-
day the visitor would have
found the Welsh Affairs com-
mittee subjecting Welsh Office
officials to highly detailed ques-
tions about the provision of
Manpower Services Commission
skill centres in the principality,
with its fluent, feline chairman,
Mr Leo Abse, Labour MP for
Pontypool, carefully switching
the inquiry from the micro to
the macro-economic with points
about the social responsibility
of multinational companies in
Wales.

Next door Sir John Herbecq
of the Civil Service Department
had his back to the wall and
faced a barrage of tough ques-
tions about manpower cuts in
the Civil Service. They were
"real and genuine", Sir John
said.

Mr Richard Shepherd, Con-
servative MP for Aldridge
Brownhills, was incensed by
that and Mr Michael English,
Labour MP for Nottingham,
West, was heard to mutter that
Government press officers, pro-
ducing handouts on the cuts,
"may be in business to obfus-
cate issues".

It was all most impressive
and it got better. At the end
of the corridor the Public
Accounts Committee, a creation



Mr Bruce Douglas-Mann, MP:
"Real test to come."

of the 1860s and venerable in
comparison to the new depart-
mental committees established
last autumn, was in session.

On entering the visitor would
have found its chairman, the
genial Mr Joel Barnett, Labour
MP for Heywood and Royton,
trying to look fierce while three
hapless civil servants from the
Northern Ireland Department of
Commerce sat in a huddle work-
ing out a calculation.

So great was their agitation
that they knocked over a
tumbler of water, a perfect
illustration of the continuing
might of the queen of select
committees, the one before
whom every accounting officer
trembles.

There are less impressionistic
reasons for being bullish about
the performance of the new
committees in their first

months. Mr George Cunnin-
gham, Labour MP for Islington,
South and Finsbury, a member
of the Select Committee on
Procedure which reported in
favour of the new committee
structure in 1978, and a formid-
able exponent of backbench
power, says the fears of some
on the Procedure Committee
that too few MPs would be pre-
pared to sit on the 12 bodies
have proved false. Attendance
is high and a great improve-
ment on the committees they
have replaced. He believes, he
says: "It is partly the enthusiasm of new
members and the publicity and
clat that has gone with the new
system. But it is very largely the
feeling of responsibility for a sub-
ject area that the new committees
have."

There is now little overlap
between them, unlike the pre-
vious arrangement, where
Public Accounts, Nationalized
Industries, Science and Tech-
nology and the Expenditure
Committee could be examining
the same area of policy.

Mr Cunningham had feared
the new committees might suf-
fer, however, with the replace-
ment of a hung Parliament,
which allowed such consider-
able scope for raids against the
Devolution Bill by himself and
other backbenchers, by a large
Conservative majority. A res-
toration of discipline by the
Government and the Whips
seemed very likely. He said:

But the signs so far are that the
growing sense of independence
among backbenchers is continuing
promisingly in this Parliament,
though it is too early to tell. There
has not been anything spectacular,
but I think there are quite a num-
ber of Tories in this intake who
are not prepared to make orders
blindly.

Several committees are show-
ing persistent signs of vigour
and timeliness, particularly
Home Affairs, with its inquiry
into the Public Order Act, and
Employment's concentration on
the law of picketing. Whitehall
as a whole is certainly exercised
by the new spirit and most en-
couraging moans can be heard
from several ministries about
the extra workload imposed by
the probing of the departmental
committees.

The moment of truth has yet
to come, however, as Mr Bruce
Douglas-Mann, Labour MP for
Merton, Mitcham and Morden
and chairman of the Environ-
ment Committee made plain at
a seminar of the Royal Institute
of Public Administration on the
"experience of select com-
mittees" at Westminster two
weeks ago. Though it was a
private occasion, he has given
The Times permission to quote
from his paper. He said of the
new committees:

The real test of their value will
depend on backbench MPs them-
selves. Unless MPs are prepared
to compel governments of their
own party to pay attention to their
views, to the extent of voting
against them when they are sat-
isfied, after exhaustive discussion,
that the policy being pursued is
wrong, then Parliament will re-
lapse into a largely ceremonial
function, the rubber-stamp of the
Executive.

Mr Douglas-Mann, anxious
not to arouse expectations that
could not be fulfilled, concluded
by reminding his audience that
backbench MPs had often, in
the past, been labelled as "un-
informed cranks". If the new
select committees did no more
than turn them into "informed
cranks" then the exercise would
have been worth while.

A chance to save on prescription charges

By Annabel Ferriman
Health Services Correspondent

People likely to need more
than six items on prescription
in the next four months were
advised yesterday by the Child
Poverty Action Group to buy a
"season ticket" now to save
money.

From April 1 prescription
charges will rise from 45p to
70p an item. The cost of a ticket
will rise from £4.50 for six
months to £4.50 for only four
months. A year's ticket will cost
£12, an increase of £4.

But tickets purchased at the
lower price before April are
valid for a full six or 12 months
and escape the increased
charges. Once a ticket is paid
for, all prescriptions are free
for a set period.

Miss Janet Allibon, of the
group's citizens' rights office,
said yesterday that it was not
illegal to buy now and avoid the
increases. Indeed, that course
had been advised by the
National Pharmaceutical
Association.

"Anyone wishing to take
advantage of the cheaper pre-
scriptions should get form FP
95 without delay at the post
office or Department of Health
and Social Security office," she
said.

"Many of the long-term sick
on low incomes do not qualify
for free prescriptions and can-
not afford a 70p prescription."

The group was also calling on
Mr Patrick Jenkin, Secretary of
State for Social Services, to
start a publicity campaign to
improve take-up of free pre-
scriptions.

ils may be given stril training

Geddes
correspondent

ment is consider-
ing legislation to
in their last year
be released on a
asis for external
industry, Mr Neil
Under-Secretary of
ducation, announced

conference of the
Heads Association
at the Government
cerned about the
high level of
at among young
as he and other
ured the country,
struck by the dis-
tween the number
ed and the skilled

essential that young
s better prepared
s while at school,
y could benefit
g and restraining
when they
loyment.

training and
p-type courses
introduced into
upils from the age
gested.

if fifteenth birth-
night be released
for "a day or so
enable them to
nticship schemes
some first-hand
perience in indus-

ills would continue
or the responsibility
tion authority, and
quired to continue
r studies at school.
ove would require
The Government
ring introducing a
in the next par-
ession, and it could
in that.

No decisions had yet been
taken. Those were some of the
ideas being discussed by minis-
ters and within his working
party on provision for 16 to 19-
year-olds. That working party
would probably be ready to
report by the autumn.

On the Youth Opportunities
Programme and other similar
projects for unemployed young
people, Mr Macfarlane said
that it was "a matter of anxiety
to a number of ministers that
the education input is not
always the top priority".

Those programmes were
being reviewed by a panel of
junior ministers as well as by
his working party.

Asked about unemployed
school-leavers being paid to do
nothing while those who re-
mained in full-time education
received no financial help, the
minister replied firmly that the
question of maintenance allow-
ances was a matter for local
authorities, not central govern-
ment.

Mr Macfarlane said that the
prospect of a 25 per cent decline
in the number of 16 to 19-year-
olds by the end of the decade
would inevitably entail some
reorganization of sixth-form
provision.

Alternatives to small sixth
forms would have to be con-
sidered, such as communita-
rangements and use of further
education colleges; or the sixth
form might be expanded by in-
troducing more vocationally
orientated courses, possibly on
a part-time basis.

The Government did not wish
to impose a national plan on
authorities, he said. Decisions
were best taken at a local level
in response to local needs. He
believed that the traditional
sixth form would always have
a place in British education.

jailed n charges

correspondent

ce said on a Cum-
cannabis resin
more than £11,000
as gun were found
ollowed out book,
ad at Carlisle Crown
rday. Seventy-five
ants were growing
len at Low Field,
more, near Penrith,
d.

Hodgson, aged 32,
ker, admitted sup-
abis, possession of
id growing cannabis
iso admitted posses-
ar gas gun, and
His wife, Yvonne,
admitted possession
of the gun charges.
sted that £2,000 in
rman and Belgian
is also found in the

son was jailed for
half years and his
months.

Charges against Kagan firm dropped

The prosecution offered no
evidence at Leeds Magistrates'
Court yesterday against Kagan
Textiles Ltd, of Elland, West
Yorkshire, on charges relating
to indigo dye powder. The com-
pany was awarded costs out of
central funds.

It had been charged with
being concerned in the illegal
exporting of indigo dye powder,
falsifying a document relating
to drums of the powder, and
offences under the Exchange
Control Act, 1947.

The case against Michael
Kagan, aged 28, of Barkisland
Hall, Barkisland, Halifax, son of
Lord Kagan, and Raymond Ken-
nedy, aged 54, company secre-
tary, of Wedgewood Drive,
Leeds, was adjourned until
April 21, when committal pro-
ceedings will begin. Their bail
was continued.

Mr Kagan is charged with
stealing four drums of indigo
dye powder from Kagan Tex-
tiles Ltd, and currency offences.
Mr Kennedy is also charged
with currency offences.

rlatan' forger of bank s gets seven years

Described by Judge
as the "Central
Court yesterday
ruthless charlatan
icated operator, was
seven years.
found guilty on
charges of forging
bankers' drafts
£10,000 between
May, 1977,
aged 46, formerly
treet, Mayfair, Lon-
don director of the
l Commerce Bank
described in court
Inspector Edward
a "ghost bank",
ich worthless drafts
the officer added,
connected with many

companies throughout
the world, a "paper empire", be-
tween his arrival in Britain in
1973 and his arrest in May,
1977.

The authorised capital of the
banks ran into millions of
pounds but the paid up capital
was minimal and assets negli-
gible. Banks based in London
were used to give drafts and
references which were in the
main worthless, and the banks
gave worthless guarantees to
drafts drawn on the Torri's
companies in an attempt to
obtain bank over seas.

Inspector Ward said Mr Torri
had associated with known
criminals in organized crime in
Italy, France, the United States
and Canada.

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DEPARTMENT OF ENERGY TTTT

HOME NEWS

BBC says £130m axe must fall but sees hope for threatened programmes in outside finance

By Kenneth Gosling

The board of governors of the BBC has set April 17 as the date on which decisions must be taken about cuts that will mean the loss of 1,500 jobs and a financial saving of £130m.

The board said in a statement yesterday that the first redundancies would not become irrevocable until some four months later. But the date for final decisions must be met "otherwise we will not be able to meet the financial targets which have been thrust upon us by the reality of the licence fee and national inflation".

After several meetings at which the proposed cuts were reviewed, the last on Friday, the board has for the first time expressed its full backing for the proposals, even though it points out that adjustments could still be made if the financial picture changes, by which it means if outside finance is found for orchestras, schools, broadcasting or any other threatened area.

"It is clear to us", the governors say, "that the pro-

posed pattern of cuts is broadly right and we accept, regretfully, that as part of the economies some 1,500 jobs will certainly have to go. We will strive to keep redundancies to a minimum."

Further consultations remain, in particular with the unions, with the BBC's general advisory council in special session, and with the central music advisory council.

Further inquiries are also to be made about English regional services. The board emphasizes that it has taken a particularly close look at the cuts that affect broadcasting outside London.

"Cuts in this area range from 3 to 9 per cent but this must be set against growth over the last six years of 20 to 60 per cent. At the same time, central savings are ranging from 3 to 16 per cent, as against growth over the last six years of nil to 15 per cent."

"We are therefore clear that the proposed pattern of cuts is not confined to the regions, still less does it represent in any way whatsoever a failure of

commitment to the regions. They will still have grown faster over the last six years than the BBC in London."

The unions had asked for more time; and the board believed the time-scale also met the request put by the Broadcasting Council for Scotland for time to see whether all the interested parties (Scottish Arts Council, independent broadcasting, the three other Scottish orchestras and other groups) were willing to come together to try to sort out the financial difficulties in which Scotland's orchestras found themselves.

"We hope most earnestly that they will do so without delay and we are willing to offer facilities for such meetings."

The governors add a reminder of BBC Scotland's earlier promise that a proportion of the savings would be made available to support orchestral music in Scotland; similar funds would also be available in England and Northern Ireland.

Under the economies plan, five BBC orchestras, including the Scottish Symphony, are scheduled to disappear.

£250,000 to aid Scots orchestra

By Our Arts Reporter

Record sponsorship for the Scottish National Orchestra was announced by Gulf Oil yesterday. Its sponsorship is extended by a deed of covenant worth a total of £250,000 over the next seven years.

Mr Norman St John-Stevens, the Minister for the Arts, speaking at a reception in London at which the announcement was made, appealed to the BBC not to discriminate against its orchestras in making economies.

"I am not directly responsible, unfortunately, for the Scottish Symphony Orchestra," he said. "That is a matter for the BBC to decide their priorities."

"But I would say to them what I have said to the local authorities, who are also responsible for their own expenditure."

"We accept that they must

decide the economies they have to make, and there must be economies. But, equally applicable to the BBC, we do not want to see any discrimination to the arts and the orchestra, and any application of cuts must be fair across the whole field."

The minister said he looked to the oil companies and the banks to be as generous as possible in supporting the arts. In the next few weeks he would be visiting various banks and companies, and it would be helpful to point to Gulf Oil's example.

Sir Lawrence Boyle, chairman of the Scottish National Orchestra Society, said it had become increasingly difficult to meet commitments. Local authority support had declined from a third to 18 per cent.

Sponsorship had grown but was still only 41 per cent of income. The orchestra's total budget for 1980-81 is £1.5m.

Needle time: The BBC erred in announcing that cuts in the playing of records on Radio One were due to new restrictions imposed by Phonographic Performance Ltd, a spokesman for PPL said yesterday.

Commenting on statements attributed to the BBC, Mr Bert Gilbert, PPL general manager, said the cuts were due solely to the BBC's abuse of the levels of "needle time" agreed two years ago.

That allowed for up to 19 hours a week of review time for new record releases; but the BBC had been greatly exceeding that limit, and PPL had to ask for adherence to the arrangement.

Mr Gilbert said: "We have a responsibility to help to protect the job opportunities for British musicians in broadcasting and we cannot agree to unlimited review time."

Lord Lane to become Lord Chief Justice

By Marcel Berling

Lord Lane is to take over as Lord Chief Justice of England on April 15 in succession to Lord Widgery, who has resigned.

Lord Widgery, who has held the office since 1971, has not been in good health for some time and, although at the age of 68, he could have carried on for more than six years, his resignation was not unexpected.

The appointment of Lord (Geoffrey) Lane, equally comes as no surprise, although his appointment as a Lord of Appeal (Law Lord) last October was seen by some lawyers as an indication that he might have missed the top job.

Lord Lane, aged 61, has had an unblemished career which has not brought him much before the public, although he has been highly regarded by his fellow lawyers and judges throughout his career.

A genial, unassuming,



Lord Lane: Genial, unassuming, pompous and approachable.

approachable man, and, some hold, one of the wisest after-dinner speakers, Lord Lane can be somewhat impatient with counsel in court.

He is on legal issues a conservative rather than an innovator.

Lord Lane has not had a great deal to do with controversial trade union matters, except when he granted, but then shortly afterwards discharged, an injunction stopping unions at Ford's from striking in 1969.

He has expressed the view on more than one occasion that the law should play as small a part as possible in industrial relations.

With a background of wartime service in the RAF, in which he became a squadron leader, Lord Lane was subsequently involved in two inquiries into air disasters.

Educated at Shrewsbury and Trinity College, Cambridge, he was called to the Bar in 1946 and became a QC in 1962. As counsel he acted for the Commissioner of the Metropolitan Police in both the Timothy Evans inquiry and the Challenger affair.

Redundant steel landmark meets a gentlemanly end

After dominating the social, economic and topographical life of Cardiff for 90 years the huge British Steel Corporation plant at East Moors is being razed in the biggest demolition job of its kind yet undertaken in Europe.

Since its 3,100 workers peacefully negotiated redundancy terms two years ago, the chimneys, cranes, blast furnaces and mills which dominated Cardiff's industrial skyline have been brought to the ground.

The East Moors plant was built to sustain the demands of the industrial revolution and it was spawned as an extension of the greatest ironworks the world had seen, established by the Shropshire ironmaster, John Guest, at Dowla's, 30 miles away.

Its demolition comes at a time when Britain no longer has an industrial preeminence and when the workforce and capacity of mightier and more modern plants at Port Talbot and Llanwern are being expanded.

When the furnaces of the new Dowla's works, as East Moors was termed, were lit in Febru-

ary, 1891, the *Western Mail* reported: "Quite a dazzling effect will be created by the huge British Steel Corporation plant at East Moors is being razed in the biggest demolition job of its kind yet undertaken in Europe."

There were no 20-course lunches to celebrate the plant's closure but the workforce received redundancy payments which would have been beyond the conception of the early ironmasters. In a few instances men with long service received more than £15,000.

In addition the British Steel Corporation has provided assistance to place workers in other industries and has actively helped many of them to establish companies.

Through a subsidiary company the corporation has provided small factory units for aspirant entrepreneurs and much of the 170-acre site is to be developed by the Welsh Development Agency, into an industrial estate.

Cardiff

Regional report

Tim Jones

Cardiff

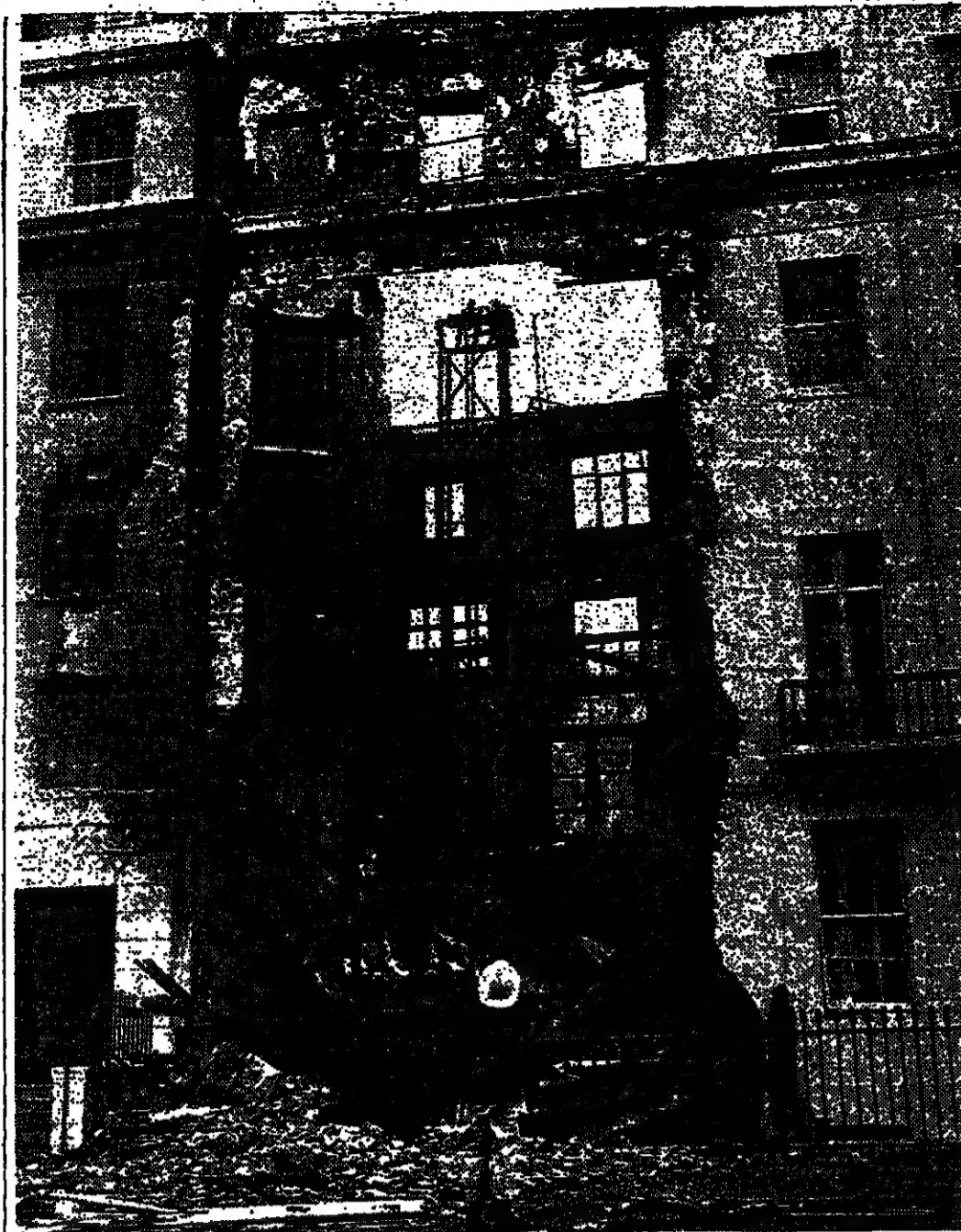
East Moors became the most up to date steelworks in Britain in 1936 after it had been extensively modernized. By good fortune design the plant was completed in 1937. In that period the capacity of the plant was increased from 800,000 to a million tonnes of steel annually at an investment cost of about £9m.

Dr Anthony Edwards, the general manager, said "East Moors was doomed when it became clear that the world would not quickly recover from a global recession which began in 1976."

The nature of the works also mitigated against continued production. Steelmaking there relied on the old, open-hearth furnaces, which could not compete with the more modern basic oxygen system.

Given the entrenched and bitter nature of the present steel dispute, the closure was achieved in an almost gentlemanly fashion, with resentment being cushioned by handsome payments and a willingness by the corporation to try to provide alternative jobs.

Its closure serves to remind not only Cardiff but the whole of industrial South Wales that its traditional industries are no longer viable and that only diversification can save the area with economic security.



The gap in the terrace after the explosion and fire at the Italian Consul General's offices in London yesterday.

Retreat on conservation feared

By John Young

Planning Reporter

Further suspicions that the Government may be contemplating drastic changes in the structure and administration of the national parks were voiced yesterday.

On the same day that the Ramblers' Association issued a statement deploring the possible introduction of a two-tier system of classifying outstanding landscapes, Miss Marion Sheard, of the Centre for Environmental Studies, told a conference in Sheffield that such a system would do nothing to protect the countryside from the threats confronting it.

The Derbyshire branch of the Country Landowners' Association joined the controversy by calling for a report on how members of national park authorities are appointed.

It expressed concern at the Government's failure to reappoint Mr Ivor Mortimer as vice-chairman of the Peak Park Planning Board, and at the apparent sparseness of agricultural representation on the board.

BMA warns drinkers of alcohol dependence

By Our Health Services

Correspondent

If a man drinks three pints of beer a day on five or more days a week he will become dependent on alcohol, a booklet published today says.

He should try to spread the intake through the day, rather than consume it at one sitting, and should become concerned if he finds he has a tendency to increase his daily intake beyond this limit.

In that event he should cut down the quantities, which at that level should not be difficult, the booklet, published by the British Medical Association, says.

If a man is drinking about five pints a day on five days a week it is important that he should do something about it, because five pints is a level of intake at which harm can occur.

He should ask himself whether there are any special reasons why his intake is so high. It may well be that his work is relevant, that he is employed in one of the vulnerable occupations, such as publicans, commercial travellers and representatives, journalists, actors, soldiers and sailors, the booklet says.

If he feels unable to restrict his intake by altering his everyday life, he should not hesitate to seek advice, and not wait until signs of harm are evident, it urges.

The BMA is simultaneously publishing a memorandum on the difficulties of alcoholism, which it is forwarding to the Department of Health and Social Security.

It recommends a new attitude to the drinker at a party who thinks he is being jolly, while in reality he is simply being offensive.

Dr Frank Wells, secretary of the BMA's Board of Science, which drew up the memorandum, said: "Our attitude to this illness should be one of active discouragement rather than the shrug-of-the-shoulders acceptance which we so often see today."

"Hosts have a responsibility to their guests, particularly if they have a long way to drive home. It is no kindness to give somebody 'one for the road'. There should always be plenty of soft drinks around," he said.

Countdown on Drinking. (Family Doctor Publications, BMA House, Tavistock Square, London, WC1H 9JP; 40p plus 12p postage).

Man shot by constable had replica revolver

A man shot in the stomach by a London police marksman from a car chase across the City yesterday was carrying a replica revolver and a starting pistol.

The man had earlier attacked two police officers, one a woman, after forcing them at gunpoint to remove some of their clothes.

The injured pair struggled to their police van to radio for help, and the man was chased at dawn by six police cars for 10 miles across north London.

He suddenly stopped, leapt out of his car, aimed his gun, and was hit by one of four shots fired by a police constable.

Last night Det Supt Geoffrey Chambers, in charge of the investigation, said at a press conference that it was impossible to "The gunman was aiming at him. He had to shoot", he said.

The policeman had fired from 10 yards while on the move.

He said the replica revolver was not genuine.

The chase had started in Enfield and ended 10 miles away, in Grove Green Road, Leyton, east London, and the constable thought that the two other officers had perhaps been shot at Enfield.

There was no criticism of the officer, who had warned the gunman, and acted with great bravery in a difficult situation," Mr Chambers said.

The incident began at 4 am when Sergeant Michael Rawson, aged 37, and Woman Police Constable Sheila Dalmasio, aged 27, approached a man sitting in a Ford Cortina.

He drew what appeared to be a revolver and forced them into a field, where he made the sergeant take off his jacket, trousers and shoes and the constable take off her jacket.

He told them to lie face down on the ground and hit them on the back of the head with the "gun".

Threat is feared to pensions safeguard

By David Fenton

Labour Reporter

Union leaders yesterday expressed fears that the Budget statement will include an announcement of a wide investigation into the public services' inflation-proofed pensions scheme, which might propose the end of index-linking.

About five million public employees are covered by index-linked pensions and there has been a dispute over the past few months, particularly among Tory backbenchers, that the system is too costly and unfair.

Sir Geoffrey Howe, QC, the Chancellor of the Exchequer, is understood to agree with that view and is expected to announce the inquiry tomorrow with the aim of reducing the cost of inflation-proofed pensions, which last year amounted to nearly £280m.

Among the groups of public employees who get inflation-proofed pensions are the police, the Armed Forces, National Health Service staff, civil servants, MPs and teachers. The principle was established by the Health Services Act 1971, when the Pensions Increase Act linked increases in pensions to changes in the retail price index.

Much criticism has been directed particularly at civil servants' pension

servants' pension day Mr William Tary general of the Civil Service Council, said unfair to the service without for other groups - pensions. The accounts for all of the people.

He said he was Sir Geoffrey's "an extensive nine Civil Servants mounted a campaign the index-linking pensions are to the price adjusted on a basis of an average change over the Civil servants are reduced by percentage based on the inflation proof benefits not in private pension.

That reduced to the pay a service pension. The Service pension already pay 57 cost of their deduction from the pay, the end of the 84 per cent.

Legislation needed to indexing can be ended

By Pat Healy

Social Services Correspondent

The Government would be breaking the law if it announced in the Budget that unemployment and sickness benefits will go up in November by less than the forecast of inflation, unless it could push through a new Bill in time.

Although some MPs believe the Government would seek to amend the existing law through the Finance Bill, informed sources state that the short time that will be available is not wide enough. Instead, there would have to be a new social security Bill to amend the Social Security Act 1975, which introduced indexation of benefits.

Under the Act, unemployment benefit, maternity allowances and sickness benefit must be reviewed annually and raised in line with the movement in prices since the last increase. The Appeal Court confirmed in February, 1978, that the Secretary of State for Social Security is required to carry out that review honestly and raise benefits by the best estimates available.

If he gets his forecast wrong, there is no duty to make good any resulting shortfall.

Mr Stanley, Labour spokesman on social services, said yesterday that the Government had no chance of passing the necessary legislation in time for the next increase in benefits, due in November. There would not be sufficient parliamentary time, and the forecast

that some of the Government would try to introduce a mandate for a new Bill in November. The benefits would be paid through their contributions. Short-term term benefits are now worded to be paid through their contributions. The gap between the two is about earnings. But the Social Security Act 1975, which introduced indexation of benefits, with prices rising long-term benefits for the former mostly affected employed, while the higher for the latter.

Cutting the for short-term benefits is not necessary forecast. It more people insurance benefits, and that was staff.

The could if a decision barred people from national from claimants. Sin benefits define poverty line, strongly oppo

Train delays on Eastern Region criticized

From Ronald Kershaw

Lincs

Concern at the poor punctuality of passenger trains in the Eastern Region of British Railways is expressed in the annual report of the Transport Users' Consultative Committee for the Yorkshire area, published yesterday.

The report says that more than a third of regional complaints concerned poor time-keeping and lack of information on delays.

The aging fleet of diesel units have "seen better days" and "Many need refurbishing and 'not only are they slow and often give a rough ride, but their heating, much too hot or much too cold, but seldom just right, leaves much to be desired."

The committee received 165 written complaints in 1979. Mr James Towler, the committee's Yorkshire area chairman, says that there was an increase of half over 1978, but it was encouraging that all the main line and almost all the local routes in the area showed an increase in the number of passengers.

"Given the assurance by the Minister of Transport that he is taking steps to rationalize cuts in the railway network, we hope this trend will continue," he says.

Device painless blood s

By Our Health

Correspondent

A small device to the skin to o of blood was ward yeast diabetes samples at t

The device replace the manually is which can p traumatic

"Auto spring-loaded disposable is stop controls in

Work on t when Dr R. R. R. Holman

Mr. Kelly's O. Owen Mumford stock, Oxford

the device available by Five other equipment of British manual

wards. The Minister of Transport that he is taking steps to rationalize cuts in the railway network, we hope this trend will continue," he says.

MP describes two cases of deaths after arrests to parliamentary committee

By Our Home Affairs

Correspondent

More details of deaths after arrests by police were given by Mr Michael Meacher, Labour MP for Oxford West, yesterday to the Commons Select Committee on Home Affairs.

Given permission to refer to the cases anonymously, Mr Meacher told of a case in which an open verdict had been reached. Details were given by a member of the jury at the inquest, he said.

Police had been called to a public house where the man was sitting on the pavement. They arrested him and put him in a cell. It emerged later that he had not been seen in the cell between 2 am and 6 pm, contrary to procedures which required a visit every half hour.

It was admitted that he was abusive and struggled, and had to be restrained, but use of violence was denied by police. The man had a fractured skull.

A pathologist from the hospital to which he was transferred said his injuries were

consistent with a heavy blow. Police could produce no evidence that the man had been fighting or that he had fallen and hit his head before arrest.

In another case, allegations were made by a man who had been in a police cell next door to a prisoner who died three days later after release from custody, and would therefore not be included in the figures of deaths in police custody. The man alleged the prisoner had been beaten by police.

In answer to questions from the committee, Mr Meacher insisted that he had no wish to undermine the police or smear them.

In his evidence he called for an inquiry into the working practices of the Director of Public Prosecutions and into deaths in police custody.

He said an independent body headed by a lawyer should be made responsible for handling complaints against the police. The inquiry into the practices of the DPP should consider the need for a different kind of

public prosecuting agency, along the lines of the Procurator Fiscal in Scotland.

As a deterrent against the possibility of assault against prisoners while in custody, the Home Secretary should experiment with panels of visitors with right of access to police cells for unannounced visits or with minimum notice.

Mr Meacher said that there was a strong correlation between the number of complaints in each police area alleging assault by the police and the number of deaths in custody in those areas.

The difficulties facing doctors examining prisoners in dimly lit police cells were emphasized by two witnesses from the Association of Police Surgeons, Dr Hugh de la Haye Davies, and Dr Neville Davis, representing the Metropolitan and City of London police.

Dr Davis said that police stations were not the safest places in which to be very drunk and particularly very drunk and injured.

Coroner is told of James Kelly's assault convictions

James Kelly, aged 53, a labourer who died in police custody on June 21 last, could have dropped dead at any moment, Mr Ronald Lloyd, the Merseyside coroner, was told yesterday.

Mr Andrew Rankin, QC, counsel for Mr Kenneth Oxford, Chief Constable of Merseyside, said that Mr Kelly suffered from angina and had twice been told by doctors to stop drinking and smoking.

Mr Rankin said that for the past 12 months Mr Kelly, who lived at Sleaford Road, Huyton, had complained of swelling feet and ankles, and for five years he had felt uncomfortable when walking half a mile.

Mr Rankin also disclosed at the inquest, in Whiston council chamber, near Huyton, that on the night he died Mr Kelly's blood contained more than four times the legal alcohol limit for driving.

Mr Kelly's convictions, dating from 1937 to 1974, were read out. He had seven convictions for being drunk and disorderly, two for assault on the police, a further conviction for unlawf

assault, two convictions for wilful damage and several for larceny. He had served four short spells in prison, the longest of three months for assault on the police.

Mr John Murphy, a neighbour and friend, said that when Mr Kelly left the Oak Tree public house in Huyton he was "as sober as a judge". He had had four pints of beer and one whisky.

Mr Murphy agreed that in an earlier statement he had said that Mr Kelly had drunk seven pints of beer. Mr Kelly, he added, would often take 12 pints of beer in an evening and still be able to walk home.

When told of evidence that Mr Kelly was seen staggering drunkenly about, he replied: "It has got to be a different man altogether. I would never have left a man if he was incapable of walking home."

He told Mr George Carman, QC, for the Police Federation, that he could not account for the "lost hour" between Mr Kelly leaving the public house

shortly after 11 pm and being arrested in an allegedly drunken state around midnight. Earlier, Mr Lloyd had said: "No only the family, but the public at large are deeply concerned when a person dies in police custody. It is right and proper that such a death should be the subject of a complete investigation."

One of Mr Kelly's brothers, Mr Robert Kelly, was asked by Mr Rankin whether 16 pints of beer was beyond his brother's limit. He replied: "I have never seen him drink 16 pints."

Nor had he seen his brother fight after drink or be hostile to the police.

He said that when he went to identify his brother he noticed that his body was covered with bruises.

Mr William Kelly, the brother with whom the dead man had spent three hours drinking, denied suggestion by Mr George Carman, QC, for the Police Federation, that the dead man got fighting drunk after a night out.

Mr Carman asked: "If the jury was to hear your brother

was shouting obscenities at the police that night and fighting mad, or fighting drunk, would you be surprised?"

Mr Kelly said he would be. He denied that his brother got violent or argumentative after drink.

Asked by the coroner how much he had drunk that night, Mr Kelly said: "Eight or nine pints and a couple of whiskies."

Cross-examined by Mr Gilbert Gray, QC, for the family, Mr Kelly said his brother had dug over the whole back garden of their house in the couple of days before his death, but did not show signs of fatigue. On the day he died he had done the family's washing.

He thought his brother had drunk about the same amount as he had. When he left the public house he was "quite merry". His brother stood talking to another man outside the public house and was not incapable. He said they must have spent between then and about £20 in the public house that night.

Mr Rankin questioned Mr William Kelly about statements

he had made on television allegations of assault. Mr Kelly said that stable was a 1 up. He did not had seen a green hospital on May 16 as he was suffering from a leg injury.

Mr Rankin showed Kelly's urine taken from 400 mg equivalent of 32 whisky.

Mr Kelly's brother had agreed that weighed more could have had a fall from a brick wall and a Members of Action Comm

a seat at a table. He said they must have spent between then and about £20 in the public house that night.

Mr Rankin questioned Mr William Kelly about statements

he had made on

WEST EUROPE

Signor Cossiga puts off EC summit to work on Italian crisis

Our Correspondent

March 24
Italian Government, as the EEC chairman, today decided to postpone the Community summit set for next Monday in Rome. It is hoped that the summit will be only for a few

decision, it is stated in a letter from Signor Francesco Cossiga, the outgoing Prime Minister, who was charged with the formation of the government. The letter, which he will have to sign, states that the government will have to leave little time to prepare for the summit.

In the case, the little progress since the last summit in November on the British budget had already been made. Cossiga did not wish the risk of convening a summit which would have been a failure. He hopes next few days to arrange other heads of government to meet in Rome. There is no sign yet how long the process of forming a new government will take, or what will join the coalition.

Cossiga today had met the leadership of his party, the Christian Democrats, to discuss the situation. He will start seeing the parties from tomorrow. The date likely: The post-summit of the European summit, something, at least, for the British will not be a put the British on a doorstep, according to French circles.

French circles in Brussels met yesterday to open a crisis in the Community. The British, however, have been joined by the Government, and the British and French will have to come closer to

have also realized that the British Prime Minister, Margaret Thatcher, will have to come closer to

canvassing the different European capitals with proposals of their own. They have failed to do so far in the hope that the European Commission would produce a suitable basis for discussion, which is not the case. They finally appreciate that if there is a deadlock and crisis in Brussels, Italy would be made to carry a large part of the blame.

In Paris it is felt that the odds are in favour of a European summit some time in the second half of April, provided a new Italian Government has been set up by then. In the meantime, the Italians are expected to deploy a great deal of activity to make up for lost time.

On the substance of the threatening crisis in the Community, the French Government deplores that it should be increasingly presented in London as a Franco-British clash. Contrary to the view taken there that the French position has hardened on the issues in dispute, it is at pains to emphasize its desire for a compromise.

But if the British Government considers that only its own form of compromise is acceptable, then the possibilities of agreement at the European summit are remote. In recent weeks, it is pointed out in Paris, the French Government has been in close contact with its partners, and has come to the conclusion that between the British and the Germans, the Belgians or the Dutch, there are no big differences of approach.

What causes some surprise in Paris is that the British Government seems to underestimate the importance of the attitude of these countries; or to assume that they are on its side. But when it comes to paying something out of their own pockets to meet Britain's budget demands, they are less out of Community funds, which comes to the same thing—they will hardly be enthusiastic.

From 11 am to 5 pm today, more than 1,000 farmers blocked the entrance to the Calais harbour terminal and overhauled to protest against the policy of Britain and the European Commission on agricultural prices.

They responded to the call of the National Farmers' Union and the Young Farmers' Organization. They came in 200 to 300 tractors, cars, cattle trucks and other vehicles and prevented passengers from entering or leaving. The demonstration closed with the burning of a model of the British Prime Minister, Margaret Thatcher, the British Prime Minister.

Leading article, page 13

Ministers accept explanation of delay

By George Clark Political Correspondent

Although disappointed by the loss of momentum, Mrs Thatcher and the Government took the news of the postponement of the EEC summit meeting, planned for Monday and Tuesday, philosophically. Ministers accepted fully the explanation that the delay is due to the difficulties of Signor Francesco Cossiga, who is involved in complex discussions with other Italian politicians in an attempt to form a new coalition government.

There is no feeling that Britain is again being fobbed off with an excuse to delay the confrontation that threatens when Mrs Thatcher presents her demands for a substantial reduction of Britain's scheduled contribution of £1,000m.

Mrs Thatcher had the first indication that the summit was likely to be postponed from Italian sources on Sunday night. She was notified by the European Commission that the meeting was off at 4 pm yesterday.

Mrs Thatcher has made it plain to the Commission that she wants the delay to be as short as possible, a few weeks at most. That could depend on Signor Cossiga's success or failure in his negotiations in Rome and whether another Italian leader emerges.

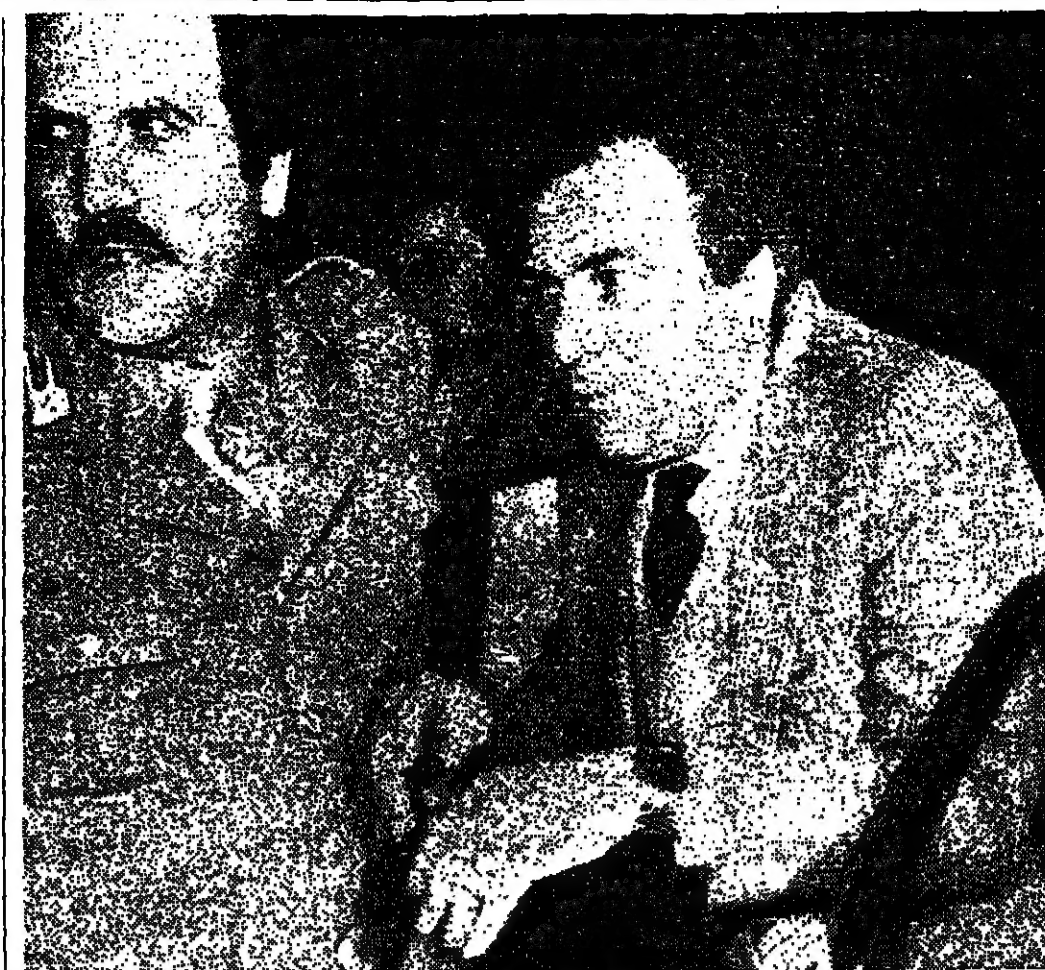
That might not be helpful to Mrs Thatcher. Signor Cossiga and his colleagues have been among the strongest supporters of her demand for a restructuring of EEC financial arrangements and a drive reform of the common agricultural policy.

When ministers talk about a loss of momentum they have in mind particularly the meeting Mrs Thatcher is due to have with Herr Helmut Schmidt, the West German Chancellor, at Chequers on Thursday and Friday, when she hopes to win stronger German support for changes in EEC finances that could help Britain in 1980-81.

Mrs Thatcher still hopes to rally greater sympathy for her point of view and the delay may be a blessing in disguise. It only that it allows British ministers and diplomats time to convince other member states that a big change must be made if Britain is not to be cornered in withdrawal payments at VAT to EEC funds.

But I think there is a very important job for Europe in creating opportunities of peace, and it is very valuable that the views of Europe about the Middle East have got much closer together in this last year. I think and hope that a new initiative at the Security Council will probably be a European initiative.

Relations with East Europe: "I think we should have a great deal of contact with the Eastern European countries. Most European countries, certainly the French and Germans, have had more contact. We, the British, have been rather slow at this and we must remedy it, because contact with Eastern Europe is an administrative thing. I do not think that you can get a



Signor Felice Colombo, president of AC Milan, arriving at prison in Rome.

Footballers taken to Rome jail

From John Earle Rome, March 24

The Italian football players who are accused of rigging matches to benefit an underground betting ring were brought to Rome's Regina Coeli (Queen of Heaven) jail today for interrogation by the public prosecutor.

Ten first division players, two from the second division, and Signor Felice Colombo, the president of the AC Milan club, have been arrested on charges of conspiracy to defraud.

The 'Green' party goes a shade pinker

From Our Own Correspondent Bonn, March 24

West Germany's ecological "Green" party has emerged from its second founding congress pinker, more divided and, if anything, more chaotic than before.

But whether this unconventional mini-party is still capable of draining votes from the governing coalition and helping Herr Franz Josef Strauss to the chancellorship is as uncertain as ever. The Greens continue to defy traditional political calculations.

The confused and turbulent congress, in which the delegates again failed to complete the business set for their first meeting in January, came only a week after their greatest victory so far, a 5.3 per cent poll and six seats in the Baden-Württemberg elections.

But in the Black Forest, politics are different from elsewhere. The Baden wine grower could be more radical and the Mercedes car worker more conservative than their colleagues in other parts. A truer test of the Greens' strength will come in May in North-Rhine Westphalia, when a fifth of West Germany's voters, reflecting closely the make-up of the national electorate, will elect their Land parliament.

Their three-day congress at Saarbrücken left the Greens with a political programme strongly influenced by the party's left-wing majority. Twice the congress narrowly avoided an outright split between the "red Greens" and the more conservative "green Greens".

Signs of unrest in overseas France

From Ian Murray Paris, March 24

A general strike ended on Saturday after having paralysed the islands of Saint Pierre and Miquelon for 10 days. On March 6 two squadrons of the gendarmerie mobile were flown from France to Martinique to bolster the local police force. In Guadeloupe the French population have been warned by an "armed liberation group" to leave the island by the end of the year or risk reprisals.

In recent weeks the signs have been growing that all is not well in the overseas departments and territories. Those little scraps of France beyond the seas which are legally and constitutionally a part of the mainland.

M Paul Dijoud, the Minister responsible for them, said recently that "a real threat, even though unevenly spread, is weighing on them". The threat, as he sees it, is spearheaded by Cuba and is directed most pointedly at Martinique.

Groups advocating independence have a long but unsuccessful tradition in nearly all of the overseas departments and territories. At the last legislative election, for example, New Caledonia elected two autonomists among the 17 overseas seats in the French National Assembly, and Martinique elected only one.

Generally groups advocating independence did badly in the election, compared with candidates representing the mainstays of French political thought. Their poor showing has been seen as proof of the very domestic nature of their organizations, which means they have had only homegrown tactics with which to face the big party machines.

Nevertheless the French Government is increasingly concerned that their very existence is giving an excuse to radical countries to interfere both sedulously and overtly in these traditionally peaceful tropical paradises.

While President Fidel Castro of Cuba is considered to be behind agitations in Martinique and Guadeloupe, for example, the Organisation of African Unity has formed a special committee to work for the independence of La Réunion—the island where M Raymond Barre, the French Prime Minister, was born, and for which M Michel Debré, the former Prime Minister, has been elected to the National Assembly.

Madagascar is pressing for the "restoration" of the uninhabited but strategically important Îles Glorieuses in the Mozambique Strait and has won the support of the United Nations in insisting that negotiations should start. Similarly Comoros is hopeful

that the United Nations will endorse the OAU support it has received for its claim for the "return" of La Myotte, which voted overwhelmingly in a referendum four years ago to remain French.

The stampede really seems to be on to seize the French possessions in the Indian Ocean, while in the Antilles it is the independence movement which threatens French rule. The conference of non-aligned countries in Havana last autumn agreed to give full support to the "anti-colonialist" fight in various places, including Martinique, Guadeloupe and French Guiana.

Martinique finds itself surrounded by newly independent islands like Dominica, Grenada and St Lucia. One of its deputies, M Aimé Césaire—well-known on the island as a poet as well as a politician—said in an interview last week that sooner or later his island would also become independent. "The colonies are like fruits," he said, "when they are ripe they will fall."

M Césaire's left-wing autonomist party contains pro-Castro elements but he says that there is no Cuban presence on the island. "Paris is looking for an alibi," he says.

According to M Dijoud, the situation is definitely inspired by Cuba. "We have sought to allow all the possibilities which flow from our democratic conception of social relations. There is naturally no question of banning strikes or demonstrations by force. In the face of this very tolerant attitude some people see France not meeting its responsibilities and imagine Martinique will be abandoned."

For the minister there is no question that the overseas departments and territories are anything but an integral part of France. They are certainly an important part of the French economy. With them French territorial waters extend to 11 million square kilometres. Mainland France on its own has only 340, square kilometres.

These waters mean wealth. Other possessions are vital to France for other reasons, for example the Pacific nuclear testing centre at Mururoa or the Ariane launch site in Guiana.

In return for what it derives from them France provides an administration, defence and the right of their 778,000 electors to representation in the Parliament in Paris.

Gang killing

Corleone, Sicily, March 24.—The body of Signor Calogero Lisotta, aged 58, an associate of a Mafia leader, was found shot dead in a cattle-stall on his farm near here. He was apparently killed in a gangland feud.

Same shared for EEC 'mess' on Afghanistan

ed from page 1

Community should be in a situation where the poorest country should be all the financing. The poorest country that is paying at all is Germany, the richest country. The question of possible counter-measures if no unit is reached, Lord Carrington said: "What the Minister has said is that the British Government, if it goes wrong, would consider various things—we consider whether they help or not help, whether they are a good or bad reason or not reason, what is happening now is not reasonable."

It is the quarrel could not be British membership of unity, Lord Carrington said: "Certainly the do not have any intention of leaving the Community being pushed out. This is now impeding the Community. It has got to get out of the way, we have got to try and solve it, not that with good will and good sense it can be

Carrington dealt with a of other topics in the of the interview.

European political cooperation: "I think that one of the things that has been most encouraging in the year that I have been Foreign Secretary has been the increasing and closer political cooperation that there has been in Europe."

"But it does not work very well all the time. It did not work at the time of the Afghanistan crisis, and I do not think it was because the will was not there. I think we just all made a mess of it and nobody in particular was to blame. We should never allow that to happen again."

"I would like to see increasing political cooperation and coordination of our views, although it will not always be possible to have one European policy."

France-Germany relations: "If Franco-German relations are to be as close as they should be, we must get to each other better. I think the important thing is that the Community as a whole should meet."

Europe and America: "It is absolutely vital there should be adequate European-American consultation, because Europe cannot overlook the defence aspect of their relationship."

"Again, I think that this did

not work very well in the case of Afghanistan; both sides realised it and must take their share of blame. I rather doubt that you can institutionalise consultations, nor do I think it wholly desirable."

The Middle East: "I do not think that we have the military power, nor do I see Europe as such to be giving military guarantees—it would be very difficult for the Germans, apart from anything else. What we must do is to make a political initiative."

"But I think there is a very important job for Europe in creating opportunities of peace, and it is very valuable that the views of Europe about the Middle East have got much closer together in this last year. I think and hope that a new initiative at the Security Council will probably be a European initiative."

Relations with East Europe: "I think we should have a great deal of contact with the Eastern European countries. Most European countries, certainly the French and Germans, have had more contact. We, the British, have been rather slow at this and we must remedy it, because contact with Eastern Europe is an administrative thing. I do not think that you can get a

real relaxation of tensions between the power blocks without the Soviet Union, and recent actions by the Soviet Union have made that much more difficult. It is very difficult, after Afghanistan and Sakharov, to see how progress can be made unless the Soviet Union makes a real effort to remedy what they have done, to put it right."

The future of détente: "What is necessary is an understanding by the Soviet Union that the sort of things that have happened in Afghanistan is not acceptable, that we do not accept that it is irreversible, and will not ever accept that it is not reversible; and that any other incursion in that area would be wholly unacceptable and we would not get up with it."

"I think that détente to the Soviet Union meant something quite different from what it meant for us. To them it meant to leave things as they are in Europe, but to go ahead and do what they like with the rest of the world; what I have held, but what is in the Third World is up for grabs."

"I do not think that that is tolerable, and I do not believe that you will reach a genuine détente until that is understood. I think a lot will depend upon the future leadership of the Soviet Union. I do not know what happens after Mr Brezhnev."

Heavily guarded court closes lockout issue

Patricia Clough

March 24
Heavy police guard and security checks surrounded the West German labour court today as it highly charged the employers' right to shut their workers in a dispute.

Bombs exploded in succession outside the court building in last night, smashing windows and doors and lamps. No one was hurt. Union leaders condemned the attacks, saying they damaged the workers' and printing workers' are challenging the practice by employers of closing plants and putting their workers on strike in order to force the industry.

The court has already ruled lockouts are a legal method of dispute so long as it is kept in proportion to the union's action. The other union leaders maintain that lockouts in the 1978 metal workers' disputes, were at the centre of the very wholly out of proportion to the strikes and also psychologically, their sedition to strike.

The dispute is a which has taken place

in union tactics in West Germany. Big unions, like I.G. Metall with more than a million members cannot afford to finance a nationwide strike for more than a couple of weeks so they prefer to call strikes in a few selected plants or areas. The employers' reply with nationwide or at least large-scale lockouts which the unions maintain are designed to bleed them white, as the locked-out workers receive strike pay. The employers maintain that a small strike can cripple a whole industry and that lockouts are the only means of restoring the balance of power.

The case is likely to have political repercussions in this year's election campaign, for if the unions' loss—as labour experts here believe they may—they would put uncomfortable pressure on the ruling Social Democrats to ban lockouts by law.

It would hardly be a welcome issue in an election year. While many Germans maintain that the economic damage caused by strikes to businesses cannot be compared to the financial and human suffering inflicted by lockouts, on individual workers, many more believe lockouts contribute to West Germany's industrial peace and economic wealth, because they discourage strikes.

Basque plan for tourist area terrorism foiled

From Harry Debelius Madrid, March 24

The discovery of a plot by Basque separatists to renew their campaign of terror against tourists on the Costa del Sol led to intensified efforts by police today to head off the possibility of more bombs in other coastal areas.

A plan by the ETA terrorist group to bomb Malaga airport, several discotheques on the southern coast and a millionaires' marina was thwarted with the capture of five alleged members of the group in the southern region of Andalusia, as part of a national roundup of suspected Basque militants, according to reports published here today.

Police said that they found "safe houses" used by the ETA in Malaga, Valencia, the Biscay port of Gijón, the northernmost city of Oviedo and on the outskirts of Madrid. The Madrid hideout, according to police sources, was packed with explosives and arms.

The roundup also resulted in the arrest of six people in connection with the biggest robbery in Spanish history. This took place at a bank in Oviedo last July and amounted to 130m pesetas (£835,000). Police claimed that part of the money was used to buy a cafeteria and two floors of a building in Oviedo used by the ETA.

The arrested people are alleged to include a member of the executive committee of the ETA who was also the chief of urban guerrilla operations on the eastern and southern coasts.

Police identified their leader as José Ignacio Aramayo Egurola, alias Zatorra, a student-looking young man with a thin mustache and glasses. He was alleged to have attended courses taught by the Algerian police in 1976 and by guerrilla warfare experts in Lebanon in 1978 and 1979.

He was said to be carrying credentials identifying him as the correspondent of a big Spanish magazine and a leading Madrid newspaper when taken in custody.

Aramayo Egurola was captured last Tuesday at the Valencia railway station. Police had sought him in connection with the kidnapping of a Basque industrialist, the theft of 269 shotguns, the bombing of a petrol station and other offences.

Last summer the ETA killed five people in simultaneous bomb attacks on Barajas airport, Madrid, and the capital's two main railway terminals. It also planted bombs in Benidorm on the Costa Brava, and at several places on the Costa del Sol.

OPEC, unemployment, Détente and World War III?

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OVERSEAS

Mr Kadar tells people to work harder and backs Afghanistan line

Budapest, March 24.—The twelfth Hungarian Communist Party congress opened here today with a promise by Mr Janos Kadar, the party leader, to strengthen further all-round cooperation with the Soviet Union, and a call to his countrymen to produce better goods more efficiently.

Hungary's international relations and its economic problems were the main issues in Mr Kadar's report to the 767 delegates representing 812,000 party members, but he also made clear that the party would continue its economic course, considered one of the most liberal in the Soviet bloc.

Mr Kadar expressed loyalty to the other communist countries, adding that "our internationalist unity with the Soviet Union, our liberator and our main bulwark against the cause of human progress, has grown stronger during the past five years."

He blamed "reactionary circles" in connection with the events in Afghanistan which he claimed, were an "all-out, anti-Soviet, anti-communist propaganda campaign". The international tension was caused by "imperialist forces" interested in the arms race, he said, and claimed their aim was to gain "military superiority".

"All this constitutes a grave danger not only to peace in Europe, but also to world peace, and affects adversely the further trend of détente," he said. His criticism was also directed against the Chinese leadership.

He said Hungary believed

that the preparation for the Helsinki follow-up conference in Madrid should be made in a "constructive spirit" as this would help to strengthen mutual confidence and stop a return to the Cold War.

A large part of Mr Kadar's speech dealt with economic developments. He noted that there had been "public concern" recently over economic problems and growing international tensions and explained that economic development had remained below targets set in the present five-year plan.

The growth rate of the national income and the rise in living standards had slowed down, he stated.

Admitting that the Hungarian economy was strongly tilted to the world economic situation, Mr Kadar said that external economic conditions more clearly showed "the weak spots in our economy and the shortcomings of our work."

The remedy he presented to the delegates could also have been made a by a Western politician. He said that the "efficiency and quality of work" had to be increased. Production had to be adjusted to international market demands; and unprofitable production means either had to be made productive or be disposed of.

Mr Kadar's address was an "Unconquered Budapest" report that Mr Kadar will announce his retirement at the congress have been discouraged by political observers. (Gabriel Ronay writes).

Sculptor jubilant at success of elephant safari

From Our Correspondent Nairobi, March 24

Mr Mihail Simionov, a Bulgarian-born sculptor who lives in New York, is jubilant at the success of the first part of his plan to cast a limited edition of 10 life-size bronze statues of an African elephant.

A bull elephant was anaesthetized with a drugged dart on a ranch beneath Mount Kenya last week. It was then quickly coated with dental alginate—a material normally used to make false teeth.

Mr Simionov plans to sell the 10 statues for \$250,000 (£115,000) each, the proceeds going to a trust fund to benefit wild elephants. He is now arranging to ship the plastic mould to his New York studio.



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New York poll shows swing to Mr Kennedy

From Michael Leagman New York, March 24

The latest opinion poll shows Senator Edward Kennedy gaining on President Carter in tomorrow's New York Democratic primary. The shift may not be sharp enough to prevent the President from continuing his relentless progress towards winning re-election as the Democratic Party's candidate in August, but it could give Mr Kennedy enough delegates to make it worth his while staying in the race.

The Louis Harris poll in today's New York Daily News gives Mr Carter 56 per cent of the Democratic vote to Mr Kennedy's 36 per cent. Last week the margin was 61 to 34. The biggest move towards Mr Kennedy is in New York City, where Mr Carter now leads by only six percentage points—48 to 42.

Among Jewish voters, still angry at the Administration's opposition to Israel's West Bank settlements, Mr Kennedy now leads by 46 to 43 compared with a 10 per cent lead for Mr Carter among this group last week. Young Jews jeered Vice-President Mondale at a meeting here last night.

Just below the surface, the New York Democratic election shows real signs of changing in the next 24 hours. Mr Harris writes in a column in his poll. "All the movement is now away from Carter."

He points out, however, that the electoral college will not come out for Mr Kennedy, because of Chappaquiddick and his criticisms of United States foreign policy at a time of crisis. Thus the number of undecided voters has increased in the last week, an unusual phenomenon as the election date approaches.

Mr Kennedy's dogged persistence as a campaigner in the face of poor results in earlier primaries seems gradually to be impressing voters. Photographs of him shouting through the wind on rainy corners in Harlem generate sympathy and give his image some of the purposeful edge it has lacked until now.

He is also helped by the rules of the New York primary, which



Mr Kennedy addresses a crowd in a largely Jewish area of Brooklyn at the weekend.

forbid "crossover" voting. This means that voters have to vote in the primary of the party for which they are registered. In the Illinois primary Mr Kennedy's cause was damaged by liberal Democrats choosing to vote for Mr John Anderson in the Republican primary, instead of for him.

At stake in New York are 282 delegates to the Democratic convention—more than any other state except California. If Mr Kennedy comes close to getting half of these it could provide the impetus for a late attempt to catch up on the lost but not yet insuperable lead Mr Carter has established in the primaries so far.

The Republican primary here tomorrow is of less significance, because more than half of the delegates are already secured by Mr Carter. Of these, 34 are committed to Mr Ronald Reagan, six to Mr George Bush and 35 are uncommitted. Some of the last group will no doubt support Mr John Anderson, who has no delegates formally committed

to him in contention because he did not enter the lists in time. Further confusion is added by the fact that the names of the delegates support do not appear on the Republican ballot, allowing scope for voters to keep themselves in play as the primary approaches.

Mr Reagan has a long lead over Mr Bush and Mr Anderson in convention delegates so far, but if Mr Bush manages to win or come a close second to him, he would hope to use that as a bargaining chip in the liberal alternative. If Mr Bush is beaten by Mr Anderson, however, it could mark the end of his effort.

A poll released at the weekend by the University of Connecticut predicts that the state's Republican find it hard to make up their

minds. It showed 24 per cent for Mr Reagan, 17 per cent for Mr Bush, 12 per cent for Mr Anderson and 43 per cent undecided.

For the Democrats, 54 convention votes are at stake in Connecticut. Although this has traditionally been thought of as Kennedy country—President John Kennedy was highly popular here—the polls show that Mr Carter will probably win.

Meanwhile, on the assumption that Mr Carter and Mr Reagan will win their party's nominations in the summer, both Time and Newsweek magazines discuss today how they would fare in the November election. Both conclude that the right-wing Mr Reagan is not as "unacceptable" as had been assumed.

A Gallup Poll in Newsweek showed the two scarcely separable, with 45 per cent for Mr Carter and 44 per cent for Mr Reagan. With the benefits of the international crisis likely to diminish for Mr Carter as November approaches, this is an excellent portent for Mr Reagan.

America tried to stop Shah going to Cairo

From David Cross Washington, March 23

The Shah's decision to leave Panama for Egypt was strenuously opposed by Washington. Administration officials here have disclosed.

President Carter and his policy advisers feared that any move by the Shah to secure the release of the 51 hostages being held at the American Embassy in Tehran. In addition, they believed that President Sadat of Egypt would be increasingly isolated from the rest of the Arab world if he offered sanctuary to the Shah.

The officials say that Mr. Hassan, Jordan's White House chief of staff, was sent to Panama at the end of last week to try to persuade the Shah to remain in that country for the time being. His mission failed when it became clear that the Shah was determined to travel to Egypt.

The Shah and his entourage had never been very happy on the island-resort of Cozumel since his arrival last December. He disliked the isolation to which he was subjected by the Panamanian authorities for security reasons and felt uncomfortable so far away from the Middle East.

He also objected to the Iranians being allowed to seek his extradition through the Panamanian courts. He apparently regarded this as an insult, although both the Panamanians and the Americans argued privately that the extradition request would never succeed. He left Panama last night just as the Iranian authorities were about to lodge extradition papers.

The final straw for the Shah, however, was an uneasy dispute between American and Panamanian doctors over who should take charge of his medical treatment for the removal of a tumour. The Panamanians, who had been treating him during his exile in their country, became resentful when American specialists argued that any operation should be carried out under their supervision.

The Shah then decided to take up a longstanding offer from President Sadat to spend his exile in Egypt. He was assured by President Sadat

that medical facilities, country were adequate, treatment of his illness. Mr Sadat's personal physician, Dr. Carter's national, said that the Shah could be to the United States to get medical treatment. Other said that this would be an embarrassment to the administration and the US acknowledged as much requesting treatment American hospital.

Now that the Shah, Panama, the Administration hoping that tempers in the East did not flare, steps to free hostages resumed. The Iranian leaders to the Shah's departure encourage such optimism.

Needless to say, the Iranian also knew that the Shah's presence in Egypt jeopardized the final rounds of talks in the Iran-Iraq war. President Carter, President Sadat and Mr M. Begin, the Israeli Prime Minister.

An authoritative Washington source said that the Shah's departure was a development in the East did not suit the States. (Michael Bivins from Moscow). At the last year the Shah's objective for a mass "shah" newspaper said.

Western diplomats have said that the Shah sounded out the Russian end of last year on a visit to a possible line in the sand. The Shah's visit therefore be a breach of diplomatic decency.

Threat to Egypt: A Sadeq Khalil said that Egypt would pay for the Shah's exile in Egypt. The Shah's exile in Egypt would be a "shah" newspaper said.

Tehran, after Mr. Qasbi, the Iranian Minister offered to transfer of the Shah's exile in Egypt. The Shah's exile in Egypt would be a "shah" newspaper said.

Lord Soames toasts his success with Mr Machel

From Our Own Correspondent Maputo, March 24

President Samora Machel of Mozambique and Lord Soames, the Governor of Southern Rhodesia, celebrated the settlement in Rhodesia with French champagne and Mozambican prawns.

After an hour and a half of private talks, the two men dined in the grounds of the presidential palace, smiling broadly and joking with journalists.

They made an incongruous pair—the Marxist President dressed in his army fatigues and the high Tory sporting a sword. But as President Machel said as he chatted to journalists in the shade of a big tree: "Our aim for Zimbabwe were the same. It was just our tactics that differed."

Just how different was apparent when President Machel raised his champagne glass to toast "the fall of Smith and the fall of Bishop Muzorewa". Lord Soames quickly responded by proposing his own toast to "the victory of the Zimbabwean people."

Lord Soames, accompanied by Sir Anthony Duff, the Deputy Governor, arrived in Maputo this morning on a visit which is designed to cement Anglo-Mozambican relations and establish close ties between Mozambique and the new state of Zimbabwe.

After his meeting with the Mozambican leader, Lord Soames had lunch with Mr Achille Dandane, the British Ambassador, and was taken on a tour of Maputo by Mr Joaquim Chissano, the Foreign Minister. He had further talks with Mr Chissano this evening.

His visit is at the invitation of President Machel and is mainly designed to celebrate the Rhodesian's gratitude to Britain for resolving the Rhodesian problem. Mozambique has suffered seriously from the war in Rhodesia.

President Machel was fulsome in his praise for the Conservative Government. Mrs Thatcher, he said, had been the best British Prime Minister for 15 years because she had the courage to solve the Rhodesian problem. "What Britain has done is very important, not only for Zimbabwe but for the whole of Southern Africa," he said.

And he added: "If the world was ruled by women then we could always have peace."

Zimbabwe, he went on, would become a model African state, firstly because the people were able freely and democratically to elect their leaders, and secondly because the new nation "will not be a black state but the state of Zimbabwe". The war had not been a racial war but a war against an oppressive system. The election had shown that the people were wise and responsible.

Lord Soames' discussions in Mozambique will include the subject of possible British aid to Mozambique. Apart from some food, there has been no British assistance to Mozambique since 1975 when President Machel made a striking public attack on Dr David Owen, the then Foreign Secretary.

Mozambicans hope Britain will recognize the important role played by Mozambique in obtaining the Rhodesian settlement by putting forward a new assistance programme.

As the shooting stops, whites look forward to resuming social life Farmers of Rhodesia lay down their arms

From Nicholas Ashford Sipolilo, March 24

There is a pile of rifles lying in the hallway of Mr Sebastian Rous's farmhouse. However they are not there ready to be grabbed in case of attack. Instead they are awaiting transport to the local police station where, it is hoped, they will be stored away for good.

The rifles belonged to the nine members of Mr Rous's farm militia who until a month ago were assigned to protect his workers whenever they went into the fields. However now that the fighting has ended the men have resumed their normal jobs on Mr Rous's farm. He still has three members of the Government-run Guard Force on his property but they will be withdrawn shortly.

The disarming of Southern Rhodesia's farm militia is one of the more tangible effects of the peace that has now spread over this farming community. Mr Rous no longer carries a firearm each time he leaves the protection of his farm. He can drive on dirt tracks where before he would only walk because of the danger of land mines. He has not started driving around at night yet but feels it is only a matter of time before there is a resumption of evening social life—after a period of almost five years during which no white left their homes after dusk except on police patrol.

Mr Rous and his brother Edward farm tobacco and sorghum on the most northerly farm in Rhodesia. "We are closer to Lusaka here than to Salisbury," he says. From his living room window one can see the beginning of the escarpment leading down to the Zambesi valley. Not far beyond that are the shores of Lake Chobora Basso. During the recently ended war Mr Robert Mugabe's Zania guerrillas used to work their way up the escarpment and then into the tribal reserves and African purchase lands that surround Mr Rous and his few white neighbours.

Sipolilo was one of the white farming areas worst affected by the war. Mr Rous's 3,000-acre farm, which he rents from its owner, Mr Richard Marr, was attacked no less than four times. In the last attack a year ago a group of 150 guerrillas fired 85 mortars at the farm. None did any serious damage although the walls are still pockmarked by shrapnel. It was this attack that finally persuaded Mr Marr to leave his farm and hand over to the two Rous brothers.

Soon after Mr Rous arrived in September a group of guerrillas slashed his tobacco seed beds. Then on Christmas Day, just before the ceasefire came into effect, they forced some of his workers to destroy 20 acres of full-grown tobacco plants worth about £15,000. Shortly before that a guerrilla patrol had fired five rounds from a recoilless rifle at his house, but all missed. His brother found two landmines on the gravel road leading to their farm.

Mr Rous's experiences were typical of other farmers in the area. He was lucky, as he did not get hurt. Others were not so fortunate. A neighbour, Mr Arthur Beames, was shot dead on his farm a year ago. After that 17 farmers out of a community of about 80 decided to leave. However, a few stayed on, by young men like Mr Rous who were offered huge cash incentives by the Government in order to keep the farms going.

"There is no doubt that the fact we are no longer getting shot at is an immense relief," Mr Rous says. "It really has taken the pressure off our daily lives. Our problems now are similar to the problems farmers face anywhere—matters like profitability, rising costs and the effect of a drought."

While there is widespread relief that the fighting is ended there is still considerable unease about the future of the country under Mr Mugabe.

No one had expected him to win. "All the farmers in the area were called for a briefing by our local police inspector the morning the election results were announced. People were angry and upset when they were told Mr Mugabe had won 57 seats and would form the next government. However, people seem to have relaxed a little since then."

There is little doubt that Mr Mugabe's moderate and conciliatory statements since his election victory have gone some way to reassure white farmers.

They have also been helped by the fact that the head of the Army, a Norman, as Minister of Culture.

"Everybody is sick for the moment and ahead with ploughing in seed beds of years' crop," Mr Rous says. "It is a matter of 'see' as far as farmers here are concerned."

Perhaps the clearest sign that life is returning to normal is the town of Umtswari, 40 miles south, where a rugby team was taking place teams from the surrounding areas. A number of farmers, had at the local country club as far away as Gaborone west and Bindura in it. "It would have been too long to have a tour involving as many sides as everyone would have to leave early in the morning by dark," Mr Rous says.

Apart from the sun, brilliant blue sky, the was very English. 16 teams played 10 minutes a game and then repaired beer tent to regenerate selves before going on to the next round. White children served tea and made cakes to the spot. The local vicar, pink-faced wearing a solar topee, among the crowd being everyone. And there was gun in sight.

Hebron Arabs call general strike in protest at Jewish school plan

From Christopher Walker Hebron, March 24

A general strike in Hebron tomorrow will mark the beginning of a campaign of Arab protest against the Israeli Cabinet's vote to establish two residential Jewish schools in the centre of the town, the second largest on the occupied West Bank.

As angry representatives of the town's 50,000 Arabs gathered for a heated protest meeting in the town hall this morning, it soon became apparent that a decision, which has split Israeli society and divided the ruling coalition, has united radical and moderate Palestinian leaders to a rare degree.

Already the 10 elected members of Hebron Council have threatened to resign if the Israelis attempt to implement their scheme to start a religious college and a fled school. Many of the West Bank's 24 mayors have promised support in a series of telegrams, telephone calls and personal visits.

"We know that for the Israelis, this is only the beginning of their takeover of a town which has an Islamic tradition stretching back 1,000 years," Mr Fawid Kawasma, Hebron's Mayor, said in an interview with The Times.

"On the West Bank, they started with one Israeli settlement, and now there are 70. Similarly in East Jerusalem, they started with only one apartment, and now there are 80,000 Jews living there."

Mr Kawasma, a supporter of the Palestine Liberation Organization, added: "Some people claim that the Israelis want peace and that the Palestinians are terrorists. But who are the terrorists now? It is the Israeli Cabinet which wants to strip our town of its Arab character."

Recently banned by the Israelis from attending the United Nations debate on settlements, Mr Kawasma reserved much of his anger for the American Government. "The policy of President Carter is entirely two-faced," he declared. "He is afraid of the Zionists in New York and that is why he won't speak out. He prefers to win this week's election rather than come to the defence of the human rights of the Palestinians."

Another man who spoke out bitterly against the Israeli decision was Mr Elias Freil, the Mayor of Bethlehem, generally regarded as one of the most moderate West Bank leaders. "It was a serious, short-sighted and dangerous," he stated. "There is no doubt that it will increase confrontation and tension."

One early manifestation of the Arab protest will be a boycott of Kiryat Arba, the urban Jewish settlement, perched on the outskirts of Hebron, which houses some 3,000 Jews.

Israeli troops were much in evidence on the streets of Hebron and the surrounding area today. Apart from manning roadblocks at the town's entrance a large number of Israeli soldiers were gathered around the Hadesah building, a former hospital in the heart of the Arab commercial district, where the Jewish field school is to be established.

Inside the crumbling stone building over 50 Jewish women and children have been squatting illegally since last April, but the authorities have made no attempt to remove them. Earlier, the United Nations Relief and Works Agency (Unrwa), which provides many facilities for Palestinian refugees living in the West Bank, claimed that it was the legal tenant of the building.

Apart from prompting a wave of international and Arab criticism, the Cabinet vote has begun a bitter debate inside Israel and local commentators predict that it will cause serious problems for the coalition. It was still not clear tonight when the Knesset, foreign affairs and defence committee will sit to consider the Cabinet decision, or what course will be open to Mr Begin if a majority of the 25 members refuse to approve it.

Malaysia death sentence motion defeated

From Our Correspondent Kuala Lumpur, March 24

Parliament today rejected an opposition motion to consider the commuting of death sentences passed on a number of men under Malaysia's security laws. The motion was defeated when the sponsors could not get the 15 votes required for it to be debated.

Tan Sri Abdul Kadir Yusoff, the Acting Attorney General, said later that the Pardons Board had recently rejected appeals from 10 men awaiting execution. Of those, five have been hanged in the past 11 days.

Tan Sri Kadir said that four recent appeals to the board against the death sentence were successful. Another 21 appeals are pending.

It was learnt that a third man, due to be hanged last Friday, had a temporary reprieve when it was found that the execution order was incorrectly filled in.

North Korea suspected of sending assassins south

From Jacqueline Rediff Seoul, March 24

The circumstances in which three armed communist agents from North Korea were shot dead by South Korean security forces in a pre-dawn gun battle yesterday were clarified today by the South Korean Defence Ministry.

The agents, wearing Japanese swam suits and diving masks, had swum across part of the Han River estuary, only twelve and a half miles north-west of Seoul, and were attempting to land on the river bank well south of the demilitarized zone that separates the two Koreas, when they were spotted by a South Korean guard.

Lieutenant-General Kim Young Son, director of the Defence Ministry's counter-espionage operations, told a press conference in Seoul that two South Korean guards saw something moving in the slime along the edge of the river, and opened fire, killing two of the agents on the spot.

The third returned fire and tried to escape but was shot dead shortly afterwards when additional troops were sent to the spot.

The English-language newspaper Korea Times printed a front-page photograph of the three dead agents lying naked, face-down on the ground, with their equipment laid out alongside.

The equipment included Czech-made machine pistols, 300 rounds of ammunition, radio transmitters, 12 grenades, a dagger, a self and code books as well as aid kits, and bags of rice and sweets.

Although the first signs of organizing the first mission between the Prime Minister South and North Korea under way with the mission scheduled for next week, General Kim said further information about the North's hope to exploit the advantage of the political situation in the South.

Judging by the weapons carried, he said, the agents thought the probable mission was to assassinate South Korean leaders. The last infiltration of North was in November when two agents, captured by the South, were accused of the North's attempt to assassinate the South's President by violence.

Police station report Bangkok, March 24.—Some communist insurgents have been active in the police station in Bangkok province last night and seized police weapons and sources reported today.

SPORT

Important role for England by the man with local knowledge

Norman Fox

All Correspondent

on March 24

From which Ron Robson, the England manager, has emerged unscathed, there is a friendly match that has been played in the past few years. The match was drawn in the group for this summer's championship in Italy. The match was played in the group for this summer's championship in Italy. The match was played in the group for this summer's championship in Italy.

men who have not failed in the past but on Saturday afternoon they are playing the match which is the last of the series. The match is the last of the series. The match is the last of the series.

Ibot, Ransom join party

y Robson, the manager of

England B team, yesterday up Brian Talbot and Ray to the match which is the last of the series. The match is the last of the series. The match is the last of the series.

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will have to play the Cup semi-final round against Juventus at Highgate on April 14, 10.45. The match is the last of the series. The match is the last of the series. The match is the last of the series.

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Only three survive from Scots' last game

Kenny Dalgleish and Andy Gray,

potentially the most lethal strike

force in British football, attempt

to lift Scotland's sagging morale

against Portugal in tomorrow's

European championship tie at

Stamford Bridge.

Scotland's manager, Jock Stein,

was yesterday able to choose the

combination to lead his attack for

only the second time in his 12

years in charge. The first occasion

was against Norway in October

1978, and Mr Stein said: "I

am really looking forward to seeing

these boys leading the Scotland

attack again. Dalgleish hit two

goals against Norway but that night

he should have had seven or eight."

Although Dalgleish has scored in

every game under Mr Stein, Gray

has been forced out since that

night by a series of injuries and

club commitments. He replaces

Johnstone, who is one of several

players dropped after the 3-1

home defeat by Belgium in December.

Although Mr Stein has named in

Scotland's squad, both Gray and

McLeish, who partners Hansen,

who is back in favour.

Mr Stein had looked upon Burns

and McQueen as being his best

central defensive pair, but both

have been omitted this time. "We

have been losing goals too regularly

and I'm interested to see how

McLeish and Hansen work together,"

he said. The only player to have

played in the last game was the

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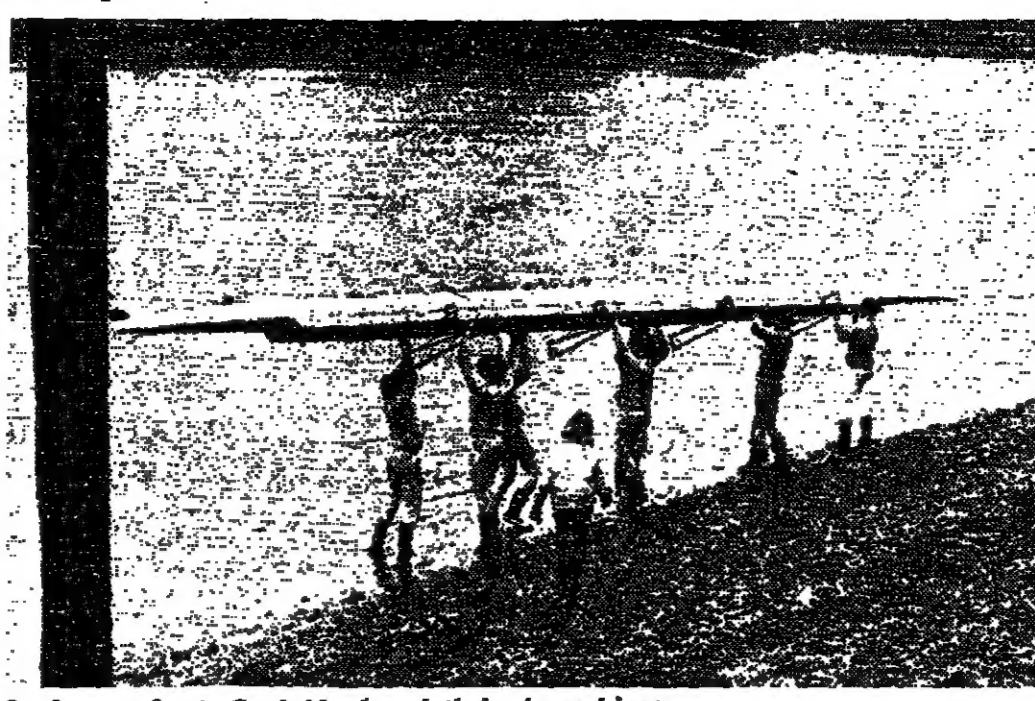
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Rowing



On the waterfront: Cambridge launch their changed boat.

Doubts dog both Boat Race crews

By Jim Railton

With less than two weeks before

the Boat Race on April 5 (4.45)

Oxford reshuffled their crew once

again yesterday and Cambridge

changed their boat. There are un-

certainties in both camps, but

Oxford appear to face the most

problems. In the build-up towards

the race on various counts

rather than to shape a winning

crew.

Oxford made three changes in

crew order two weeks ago after

sundering the Reading head-

ship and their record to Leander.

After finishing eighth in the Tide-

way head of the river race on

Saturday, Leander's eighth place

was a disappointment. The British

Leander and London University

Oxford are scratching their heads

again. Yesterday, possibly as a

preliminary measure, the crew

was promoted to four and Conington

—the star of the trials race last

December—was moved back to

the back of the crew. The new

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By Peter Marston

The national schools seven-

side tournament, organized and

administered with customary pro-

fessionalism by Rosslyn Park,

began its forty-second year yester-

day. The tournament is well

established in the rugby calendar

and increasingly popular and as

the weather improved, the

pacing schoolsboys established a

new record yesterday.

In the festival competition,

which is expressly for schools who

play rugby in one term only and

which traditionally opens the

tournament, 84 schools took part

in 148 matches on six pitches, at

the University of London; at the

home of KCS Old Boys

has not always been kind and yester-

day morning's miserable drizzle

provided the usual baptism. Yet

in past years the number of rain-

pacing schoolsboys established a

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THE ARTS

Imagination lurking amid the bewildering variety

New Contemporaries 1980

ICA

Rodney Hubbuck

Langton Gallery

Neo-Classical Architectural Drawings

Heinz Gallery

E. Vuillard

J.P.L. Fine Arts

Jules Pascin

Theo Waddington

Ina Claire tells a story of her meeting with Sarah Bernhardt. She had just had her first big success in *The Quaker Girl*, Bernhardt was playing in New York, and she was taken round afterwards by an over-enthusiastic admirer who introduced her as "our great young American actress". Deeply embarrassed, she mumbled: "Oh no. Popular, perhaps." Bernhardt nodded: "Good, good. First come popular, then come great."

I often think of that as I look at shows devoted to the new and recent products of our art schools. I suppose we were spoilt in the early 1960s, when artists such as David Hockney, Patrick Caulfield, John Ryle, Bridget Riley and Allen Jones seemed to spring, mature and fully armed, from the head of (mostly) the Royal College of Art. We do not expect miracles all the time, of course, but somehow we have acquired the idea that art students ought instantly to be producing great, individual work fully capable of standing on its own merits in any company: first come great, then (maybe) come popular.

In this context, last month's show at the Royal Academy of the student finalists for the Stowells Trophy was very distressing: scarcely a painting in German, with his Waynele Singers, his Cathedral Choir, the Academy of Ancient Music and six young soloists. The performance promised an "attempt at recreating something of the texture and sounds of Bach's own choir".

On balance it was a serious and sympathetic reading. With two choirs and two orchestras smaller than most listeners are accustomed to hear in Bach's Passion settings, Mr Neary was able to set strongly rhythmic and quite fast tempi, closely related, as Bach's music often is, to the dances of those days, knowing that they would sound well, even in a reverberant cathedral. The full choral force

that was not an obvious crib from one of the more successful artists of the immediately previous generation. But then, what else should one expect? Young people as a rule get round to defining themselves by a slow process of imitation and reaction, trying on various masks for size until they dare to show their own face, or indeed discover for themselves what their own face is. If one goes along to the ICA's large gathering of work from the art schools (until April 5) with such a thought in mind, rather than expecting to be bowled over by the originality of it all, then it does turn out to be the whole an encouraging experience.

The first impression is one of bewildering variety. There seems at least to be no single bandwagon on to which large numbers of art students are trying to climb: installations, paintings, sculpture, tapestries, bands of colour coexist with pastel colour-field variations on Rothko; in one room there may be videotapes and in the next a sober Euston Road nude or jagged reminiscence of William Oscar or a series of ironic variations on glossy advertising photography or a semi-dimensional fantasia on themes from Bruce Russell. But then, next to an overwhelming and improbable barrage of complete originality, the most comforting sign for the future is surely such unembarrassed openness on the part of today's students: out of all this multiplicity of influences, something distinctive is much more likely to appear somewhere. And there are a gratifying number of artists on show who can already produce sensitive and imaginative—and sometimes technically very good—work. Which is not wholly classifiable, jumping the gap between imitation and influence. On occasion the effect is produced by rather unholy alliance: one may be brought up short by the notion that Stephen Buckley seems to have modelled with Sandra Blow to produce the piece before one. But elsewhere it is the quality of the response which fascinates.

It seems, as they say, ingenious and pick out individual pieces. But I did not note down some particular likes: Tim Eastrop's *Number Seven*, from Winchester, a series of spectral dribbles across the pale canvas



Rodney Hubbuck: Pilgrimage Chapel (detail)

which takes us back in the direction of, at a venture, the Gorky type of abstract expressionism. Neil McLean-Robertson's *Harlequin* and *Sofia*, from Ravensbourne, a mysterious composition in blues and greys which, perhaps fortunately, does not need elucidation from a title; Karin Moore's hairy painting-cum-

assemblage-cum-sculpture *One of a Series...* from Wimbledon, which stimulatingly rubs one's subconscious the wrong way; Lisa Polkova's witty illustration of William Shakespeare's *Macbeth*, from Brighton; Gary J. Power's floor assemblage in pale wood, *Alhambra*, from Reading; I must also note the very high proportion of

works from women students and, what is more to the point, the even higher proportion of those pieces at which I was inspired to take a closer look which turned out to be by women. Maybe 1978's feminist Hayward Annual was an inspiration, maybe a symptom; but, either way, it now seems undeniably perceptibly to be happening.

Elsewhere it has been a week for enjoying draughtsmanship. Rodney Hubbuck, whose latest series of elaborate pencil drawings is on show until April 3 at the Langton Gallery, Langton Street, Chelsea, is undoubtedly original. His chosen subject-matter is follies and grotesques and architectural and topiary fantasies of all kinds, though with a noticeable inclination towards the nineteenth century. Many of his drawings are completely deserted, and when humans actually intrude they tend to seem more ghostly than the imaginary landscapes they inhabit. But the buildings are seething with a mysterious life of their own, rather like the house in *The Hunchback of Notre-Dame*. One feels that with little encouragement they would eat visitors alive. Not that, by a large, the overall impression is sinister; if these waited gardens and blind Victorian churches and inexplicable constructions of brick and turf in the midst of an empty countryside are locations for a ghost story, it would be the very understated, very English kind of which M. R. James was the master. And James would surely have appreciated the obsessive detail and unarguable solidity with which these dreams are pinned down on paper.

To pass from Mr Hubbuck's architecture to that on show in the RIBA's latest selection from their incredible collections at the Heinz Gallery in Portman Square is like going from one dream to many. Though a fair proportion of the Neo-Classical projects shown here were actually built, there remains an air of fantasy hanging about the whole ensemble. Unkind people might say that the effect is no more fantastic than that of many of the optimistic visions of what their humblest designs will look like if and when. But just look at the monumental spaces of Smirke's projected Augustus Square, near Hyde Park, guar-

anteed to give De Quincey an opium-fit and anyone else a few faint tremors at least of agoraphobia.

Desire to transform the Thames also seems to have led consistently to megalomania: consider coolly (try to consider coolly) Thomas Sandby's *Bridge of Magnificence* of c. 1770 or Thomas Harrison's design for a "Grand Quay" (and how!) of 1814. And did anything like Sandby's design for "Mr Fitzmorris's Bleaching Grounds" (whatever they might be) ever come near to being built at Llewellyn in Wales? It would certainly make a ruin worthy of Piranesi.

Vuillard and Pascin were both, in their very different ways, specialists in catching the passing moment as it flew rather than fixing a monument for all eternity. Vuillard's sketches, even the slightest of them, come up at you right off the page; and yet they have the serenity of an achieved work of art. The collection on show at J.P.L. Fine Arts in Davies Street until May 2 we can at once observe the nicety with which a pair of clasped hands in pencil are placed on the very piece of paper, or the amazing amount of detail got into *La Presse* without confusing the overall effect of the miniature. Some of the drawings are bigger, earlier and more deliberately finished; one or two of the pastels in their intensity of colour and violence of (possibly historic) emotion, recall Manet. But over most of the show an intimate tranquillity reigns supreme.

Pascin, at Theo Waddington in Cork Street until April 26, is a painter of the streets and crowded streets and brothels are captured with a sharp wit and a pen or pencil which seems tentative until you look closely at just how it is done. The two drawings called *Fortune* or *deux femmes* are hardly there at all, and yet they say all that needs to be said. Or the *Trois jeunes femmes*, clearly on their best behaviour, which easily outdo Marie Laurencin at her own game. Or the astonishing view of the theatre from right up in the gods, playing havoc with our sense of perspective and proportion. It all looks easy; but consider how few artists can do it well.

John Russell Taylor

London debuts

Julia Hazleton's recital revealed a pianist whose intellectual maturity belies her youth. In a programme that was well chosen to display her particular talents she came across as a serious-minded, enormously intelligent musician whose prime concern is communication. Beethoven's Sonata Op. 54 was carefully shaped to bring out the melodic element so densely woven into the rapid figurework; some unexpected liberties with tempo and metre here barely detracted from the overall musicality and good sense of the reading.

A warm cantabile melody and delicately shaded accompaniment contributed to a sensitive performance of Mozart's Rondo K511, features that also characterized Ravel's *Sonatine*; this had some careful tonal contrasts and possessed the rare qualities of depth and weight without resort to force. Ambitious speeds in Chopin's first Scherzo, the occasional minor mishap, but these were fiery, turbulent performances of great physical strength and vitality, full of poetic imagination yet so well controlled that every climax was contained within the proportions of each piece as a whole.

The British mezzo-soprano and guitarist Joy Hyman and the American guitarist Greg Nease have already been lavishly praised as solo recitalists; last week saw their London debut as the duo Consortium. Miss

Hyman brought a wealth of performing experience to the partnership, with a warm, vibrant tone in songs by Seiber and Mompou and a wide-ranging musicality in Mr Neser's lightweight arrangements of Russian songs. Her clear diction and lively characterization in self-accompanied folksongs in an impressive number of languages made for relaxed communication with a responsive audience.

Mr Neser's guitar was always sympathetic; as soloist in Granados' *Valeros poéticos* he showed remarkable technical skill and sensitivity to tonal shading (a more substantial work would have been welcome here).

The early music group Musica Antiqua of London made their London debut last year when these pages were silent. Praised elsewhere at that time for the ingenuity and execution of their programmes, they showed similar enthusiasm and expertise on this occasion. The four able singers are already familiar individually; together with an ensemble of shawms crumhorns, sackbut, recorders, viols and lute they offered an attractive evening of French chansons and dances from the 16th and 17th centuries. The programme was designed to show his mastery by comparison with his contemporaries.

Judith Nagley

Cherubini's important opera still in need of rescue

omits the bourgeois and is therefore unrealistic" have gone further.

The curtain rises on the aftermath of a rustic wedding breakfast. The participants have been receding the excitement, fear and drama of recent years. The bridegroom, a young soldier, sings Antonio's once-familiar romance, "Un pauvre petit Savoyard", and they all decide to enact a play about those traumatic times. Other costumes are donned, the stage is cleared, and Cherubini's opera proceeds, staged self-consciously as amateur theatricals.

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In Schumann's *Faschings-schwanke* Mr Anievas found a touching simplicity for the Romantic, a nobility for the Scherzino and ardour for the *Intermezzo*. But far too much in the longer flanking movements was too loud, and insistent. Nor, in the recurrent main theme of the opening Allegro, was the ascending quaver motif ever defined with enough clarity. In Liszt's *Rhapsody* he also often produced decibels more apt for the Alhambra or Olympia than this modest platform. But he relished the music's gypsy flamboyance and caprice.

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ART GALLERIES

THE COTTAGE GALLERY, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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Cherubini's important opera still in need of rescue

Les deux journées

Salle Favart, Paris

William Mann

Cherubini's opera, known in Anglo-Saxon countries as *The Water-carrier*, in Latin ones as *Les deux journées*, is greatly important to operatic historians, and was immensely popular all over Europe throughout the nineteenth century (it was first produced in 1800 at the Théâtre Feytaud in Paris). Goethe, Beethoven, Weber and Wagner all admired it vastly. Nowadays it is hardly to be seen in performance (there was a Carl Rosa production in Britain shortly after the Second World War), and unusual interest was roused when the Paris Opéra announced a new production on the work's former stamping ground at the Opéra Comique, now officially renamed Salle Favart.

Les deux journées was popular and important for many reasons. It is an early example of the rescue opera (though they had existed before, and the noble sentiments preached by Jean-Jacques Rousseau, and constantly uttered by the principal characters. Sometimes the incident is deliberately amusing: the fugitive politician Armand has to disguise himself as a bed-ridden grandfather, hide in a portable water-butt, and later in a hollow tree. Cherubini, who by 1800 had finally settled in Paris, was able likewise to contrast the music of heroism and philanthropy with rustic jollity and popular French idioms. The orchestral introductions to all three acts are noble, dramatic, stirring, with ideas that Beethoven might have been glad to

use ("I am more interested in overture in the right spirit, in your new works than I am in my own", he generously told Cherubini), though others also less inspiring than their grand ambitions propose. There are some fine ensembles, notably the sextet which closes the first act with demonstrations of gratitude and benevolence by the noble pair and their lowly rescuers.

I expected that the Paris Opéra would treat *Les deux journées* as a new rescue operation, a challenge to France's best young singing actors, and to the left-wing political sympathies now dominant among French theatrical producers. Pierre Dervaux conducted the

orchestra not ideally spry. Bernard Thomassin's settings featured the tricolor inscribed "Liberté, Egalité, Fraternité", and even backed the third act with quotations from the Declaration of Rights. Nobody, I suppose, ever believed the original, cautious decision to set *Les deux journées* in 1847, at the end of the Thirty Years' War, even though Armand announced to have been pardoned by Queen Anne of Austria (that was a historical fact too); 1800 is the scene of Bernard Sobel's production. But he and his colleagues, still not content with the plot, the characters and the social content ("it

omits the bourgeois and is therefore unrealistic" have gone further. The curtain rises on the aftermath of a rustic wedding breakfast. The participants have been receding the excitement, fear and drama of recent years. The bridegroom, a young soldier, sings Antonio's once-familiar romance, "Un pauvre petit Savoyard", and they all decide to enact a play about those traumatic times. Other costumes are donned, the stage is cleared, and Cherubini's opera proceeds, staged self-consciously as amateur theatricals.

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Channel Islands

most of the 140,000 inhabitants of the self-governing islands, to be small is still an advantage. Both Jersey and Guernsey pay without borrowing, and indeed revenue surplus. However, spending, especially in Jersey, is rising faster than income, and some people are already paying higher taxes to supplement the 10 per cent tax rate mainstay.

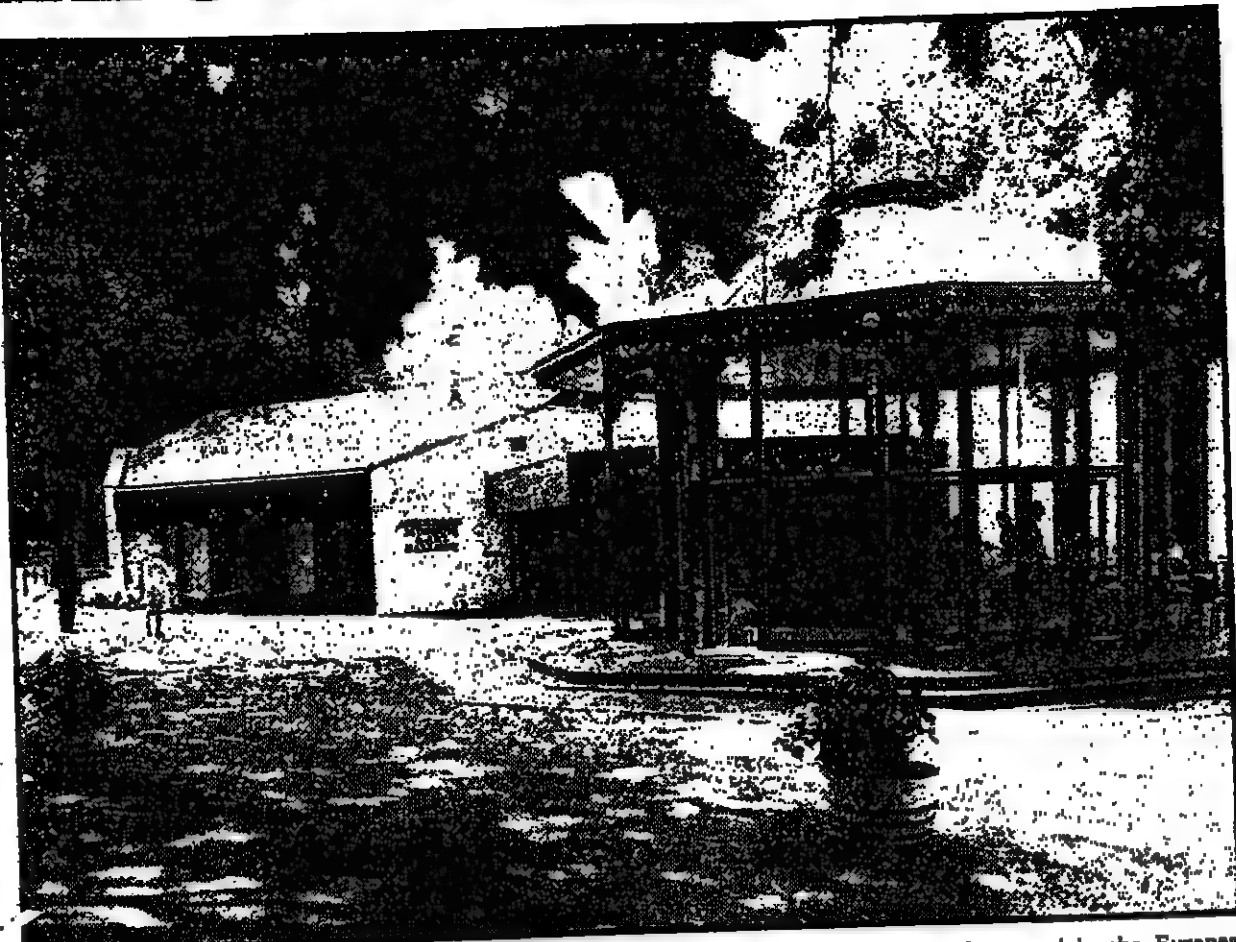
One problem is that both islands are full. If people settle there, they are likely to find a background of high inflation, and the cost of living will be inescapable. The islands' capital programmes themselves draw mainly from the islands, and what is left of the income and savings is considerable.

The Jersey budget report admits that light industry has grown little in the past year. The scarcity of industrial sites and labour against a background of immigration control does not encourage new concerns to start up. Nor can world recession be ignored. Unemployment so far has remained notional, and the recent closure of a Lockheed F-4 Phantom plant released only 38 workers.

Overcrowding is not the only trouble; inflation is another. The islands import just about everything from the United Kingdom, including oil, so absorbing Britain's inflation is inescapable. However, there is no VAT in the Channel Islands so inflation has not been as severe as in Britain.

In the three months to last December Jersey's inflation was 13.3 per cent up on the year before as against more than 17 per cent in the United Kingdom. But inflation is quickening. A year ago inflation was only 11 per cent. The worst is to come. A pride of problems afflicts tourism and agriculture. Expensive oil is bad for glasshouse tomato growers and a strong pound has checked the flow of French shoppers to St Helier.

Entry into the EEC has opened the British market to tomatoes, potatoes and these problems of to tomatoes, potatoes and



A tranquil moment outside the award-winning Guernsey Museum and Art Gallery (story, page IV). Right: storm-swept cameraman on the rocks at La Corbière, the famous lighthouse on the south-west coast of Jersey.

investment income has soared and the cash balances held by the islands from tax revenue earn good interest.

The finance business is also growing more international. Jersey now boasts United States, French, Canadian, Swiss and Dutch banks and overseas trading companies.

There are about 33 deposit-taking institutions in Jersey and the most recent arrivals, Banque Nationale de Paris, the Bank of Bilbao, Morgan Guaranty and the Bank of India, are already well established.

Jersey has done best out of the banking boom but it has not got all of it. Last year saw the opening of the first branch of an overseas bank in Guernsey, and the number of deposit-taking institutions rose to 43. Jersey does not allow insurance companies—a legacy of some nineteenth-century crashes—but Guernsey does.

It is a home of "captive" insurance companies set up by United Kingdom enterprises to handle their own insurance.

In cold figures the number of companies formed in Jersey last year rose from 1,765 to 2,020. In Guernsey the number of new companies set up increased from 879 to 898. In both islands, overseas trading companies accounted for most of the new business. The abolition of exchange control is expected to bring valuable new business to both islands.

The islands are quick to call themselves low tax areas to distinguish them from what they consider to be less reputable havens; and it could be that the Channel Islands' lure for foreign money is growing.

The attraction to the Channel Islands grows as the political clouds spread over other tax havens. With Spain

about to join the European Community as a constitutional democracy, the future of Gibraltar is uncertain. Will the Caribbean go Cuba's way, taking the Bahamas and the Cayman Islands with it? Social tension is no stranger to Bermuda.

Meanwhile Jersey still has the problem of expenditure rising faster than income. For the moment it is still paying for expenditure out of revenue, but small changes in tax yield at a time of inflationary cost increases could soon throw the sums out. Sudden ill-judged cuts in capital spending may not be in the island's long-term interests.

Either public capital programmes are curbed or taxes go up. A leading candidate is surely petrol, still only £1 a gallon. But if the price of petrol rises, would tourists still flock in?

Peter Wainwright



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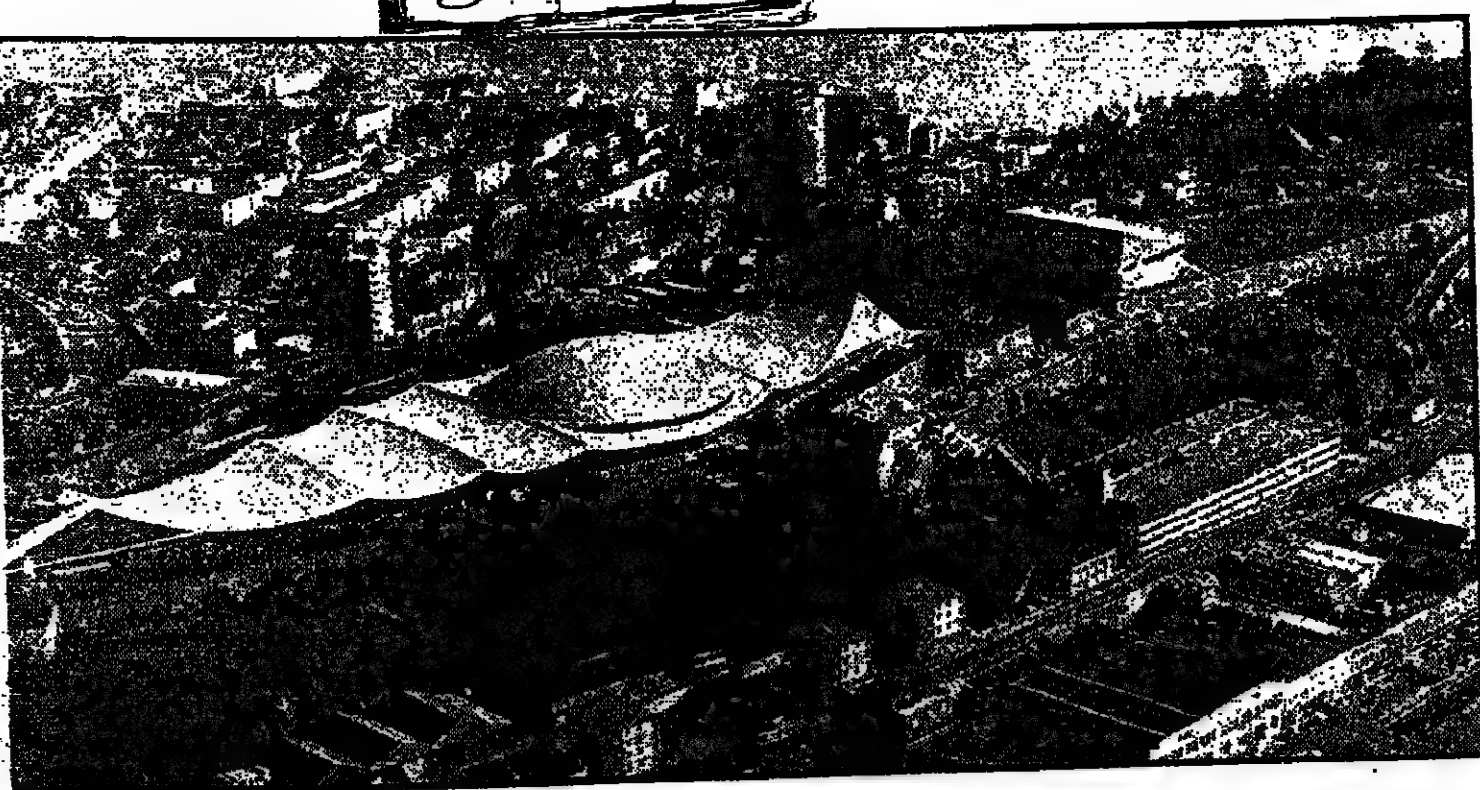
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New games in old fort

On top of a sheer-sided granite hill overlooking St Helier is the Fort Regent Leisure Centre, a pleasure dome as strange—if not so stately—as anything in Coleridge's vision of Xanadu.

Constructed on the skeleton of an early nineteenth-century fortress, later converted into a coal storage depot, this imaginative development has been the subject of controversy and financial uncertainty ever since it was started 20 years ago. Beneath its massive central dome there still lies an equally massive empty space, known as the Rotunda. This may or may not be used for conference purposes: nobody quite knows. For the present it provides the centre with a useful car park.

In any case, the complex already includes the Gloucester Hall, which can take conferences of up to 2,000 delegates. When its seats are retracted, by means of an impressive system of electrically controlled rollers, the hall can be used for sport and recreation. It can also house exhibitions, concerts (right) and, on one notable occasion earlier this year, a circus.

Fort Regent's budgeted deficit for 1980 is £366,100. Tourist facilities and entertainments are expected to show a profit, but the sports areas and the 33.3 metre swimming pool, used chiefly by the locals, will continue to run at a substantial loss.



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Threat to Guernsey link with Heathrow

week, the Channel Airways and its pre-arranged British European Airlines for over 30 years, as their principal routes are to be largely unaffected by the national

sh Airways is pulling Guernsey together, keeping only two of Jersey routes from now and Manchester.

withdrawal is not the island's air with the United Kingdom, because independent operators are over the 14 routes unprofitable by the 11 airlines. But the 11 airlines who fly to the islands from airport this summer, now frequently and what capacity, has a headache for the trade and local hoteliers.

was even a threat Guernsey might lose its link to Heathrow (via the City of London and regional connections), a slight doubt still over this route.

in Air UK—the merger of British Airways and Air Anglia—applied to the service from London to the Channel Islands, a strong opinion came from the Airports Authority, which argued that this could be a new carrier already connected to the island, and that Guern-

sey could be adequately served from Gatwick.

The Civil Aviation Authority overruled the objection and the matter seemed settled. But now the British Airports Authority has taken the unusual step of appealing to the Secretary of State for Trade to set aside the CAA's decision or, alternatively, to cut down Air UK's proposed five flights a day.

The Guernsey authorities have made plain to the British Government the importance they attach to the Heathrow link, and there is confidence locally that the appeal will fail. Air UK is going ahead with its takeover of the route from April 1.

Another aspect of air transport is also worrying the Channel Islands—in this case one with constitutional implications.

Although travel firms have been pressing for years for charter flights between Britain and the islands, the Civil Aviation Authority has been against such flights for many years, for fear of jeopardising year-round scheduled services.

Last year, however, faced with declining tourist business from the North of England, the Channel Islands, the high cost of air travel, and the fact that the island's air transport is a complete alien to the native Jerseyman, the island has escaped the sort of cultural shock which has devastated so much of the coast of Spain.

Those influences on the quality of life that islanders feel are detrimental are keenly resented, in spite of a widespread recognition that a high standard of living is conditional on the prosperity brought by visitors with money to spend.

It is difficult to characterize precisely the sort of person who chooses Jersey instead of Mallorca, or Las Palmas for a holiday, but it can be said that most of those coming in the height of the season will be working class. From the sort of holiday they can expect in the island, it would seem that many favour the idea of a resort which is rather more exotic than the traditional British seaside but does not seem quite as foreign as the

This year there were a number of applications to Jersey, from airports south of Manchester. The Channel Islands authorities, anxious to ensure that the independent airlines taking over from British Airways had a profitable first season, asked the CAA to turn these down. To their chagrin, most of the applications were granted.

Now the island authorities want to discuss with Whitehall the question whether a United Kingdom air licensing body, especially one that is scheduled to become independent of the Government, should have the right to allow services to Jersey to Guernsey against the wishes of these self-governing communities.

Meanwhile, British Airways' withdrawal has created new fare complications. For example, the reduced ITX fares used by tour operators and conference organizers are available only if the whole journey is made by one airline, and this will now be more difficult to arrange in many cases.

Channel Islanders tend to have a love-hate relationship with their main transport carriers—a sense of dependence, coupled with a feeling that they are being "bullied" and are not being given the same treat-

ment as other areas. This was the attitude to British Airways, and it exists, too, with Sealink, which runs the only ferry services between Jersey, Guernsey and the South Coast of England.

Sealink considers that it has looked after the islands rather well. In recent years it has bought two modern car ferries for its services from Portsmouth and Weymouth to replace aging ships, and is now to charter a third. It heavily promotes Channel Islands holidays, and contributes through a "bonus breakaway" programme to the islands' off-season business.

But some Islanders still think it is wrong that Sealink should have a monopoly and look enviously at the fierce competition that has cut fares on cross-Channel routes this year.

Guernsey's hoteliers recently went so far as to ask the island's tourist committee to invite Brittany Ferries to call at St. Peter Port on its St. Malo-Portsmouth run in order to give Sealink some competition.

Sealink's response was to point out sharply that the Channel Islands offer a very small and restricted market compared with routes to the Continent—adding the warning that such competition could mean the end of the islands' sparsely patronised winter services.

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Robert Shipley

Tourists all the year round

total number of arrivals for 1979 continued to increase which has increased the island's tourism throughout the year.

ever, threats of communism from other tourists, together with uncertainty about the future of transport links with the island, have eroded confidence in this year's prospects.

surice Segal, managing director of one of the larger travel agencies, said that the island's tourism industry has been steadily growing since the end of the Second World War. However, since the end of the war, the industry has been steadily growing since the end of the Second World War.

Leslie Rebinaidne, executive officer of the Jersey Tourist Department, said that the island's tourism industry has been steadily growing since the end of the Second World War.

It is difficult to characterize precisely the sort of person who chooses Jersey instead of Mallorca, or Las Palmas for a holiday, but it can be said that most of those coming in the height of the season will be working class.

From the sort of holiday they can expect in the island, it would seem that many favour the idea of a resort which is rather more exotic than the traditional British seaside but does not seem quite as foreign as the

for not always seeing the island in that light. The economic benefits of the annual invasion of holiday-makers have to be viewed against a background of social cost.

Jersey's environment has been shaped by the gradual build-up of the holiday trade since the end of the Second World War. However, since the end of the war, the industry has been steadily growing since the end of the Second World War.

Those influences on the quality of life that islanders feel are detrimental are keenly resented, in spite of a widespread recognition that a high standard of living is conditional on the prosperity brought by visitors with money to spend.

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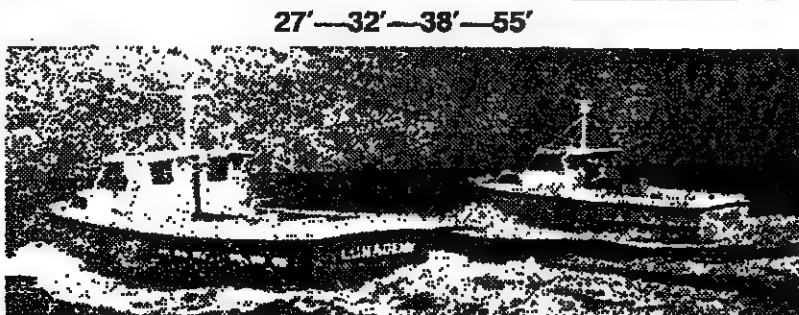
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Place of importance in prehistory

Archaeologists have just begun the unsealing of a 5,000-year-old chambered tomb discovered in 1978 on L'Ancrese golf course, in the northern corner of Guernsey. Here Dr Ian Kinnes, leader of the excavation team, places the discovery in the framework of the island's rich prehistoric heritage.

Caught in the jaws of two French peninsulas, Guernsey is and was part of the mainstream of European culture. Like all islands, however, it has created its own distinctive eddy, and a balance of external influences and insular invention has made it a place of great importance to prehistorians. It has a fine series of monuments, particularly the 4,000 to 5,000-year-old megalithic tombs of the Neolithic period, whose several sizes rank with the most important in ancient Europe.

In the nineteenth century the Channel Islands were placed at the forefront of archaeological research by the work of the extraordinary Larkins family. Frederick Corbin Larkins (1788-1871) and his four sons collected, excavated and excavated throughout Western Europe, but the heart of their efforts was always in Guernsey.

Although modern archaeologists might regret the relatively low standards of Victorian diggers, there is no doubt that Channel Islands archaeology would hardly exist without the Larkins contribution. The family has an enduring memorial in the six great lavishly-illustrated manuscript volumes of the *Collectanea Antiqua* and now, at last in the grand winning display of their collections in the Guernsey Museum.

After this activity little new or systematic research was undertaken until the French mainland. Much depends on future work but

Thomas Kendrick published his magisterial survey of the island's archaeology, fully acknowledging his debt to the Larkins family, but there was little new work to report. In 1932 Miss Collum re-excavated at the Déhus chambered tomb, but, sadly, to a standard far below that of her predecessors.

It has been only in the past few years that the archaeological importance of the island has been re-established. The amateurs, using the term in its original and best sense, of the Société Guernesiaise have been responsible for a notable programme of research and fieldwork. Under the direction of Mr Bob Burns, excavations at the Tranqueseux settlement and the Jerbourg fortifications, both of Iron Age date, have shed valuable light on the last years of barbarian Europe. In 1978 the discovery, by John and Cherry Libou, of a new and apparently intact Neolithic tomb on L'Ancrese Common promised even greater possibilities. Already excavations at Les Fouaillages, for the Ancient Monuments Committee of the States of Guernsey, have added new dimensions and explanations to the archaeology of Neolithic Europe.

Little is known of the earliest activities of man on Guernsey. The story effectively starts about 3500 BC when population pressure and land hunger brought the first farmers from the French mainland. Much depends on future work but

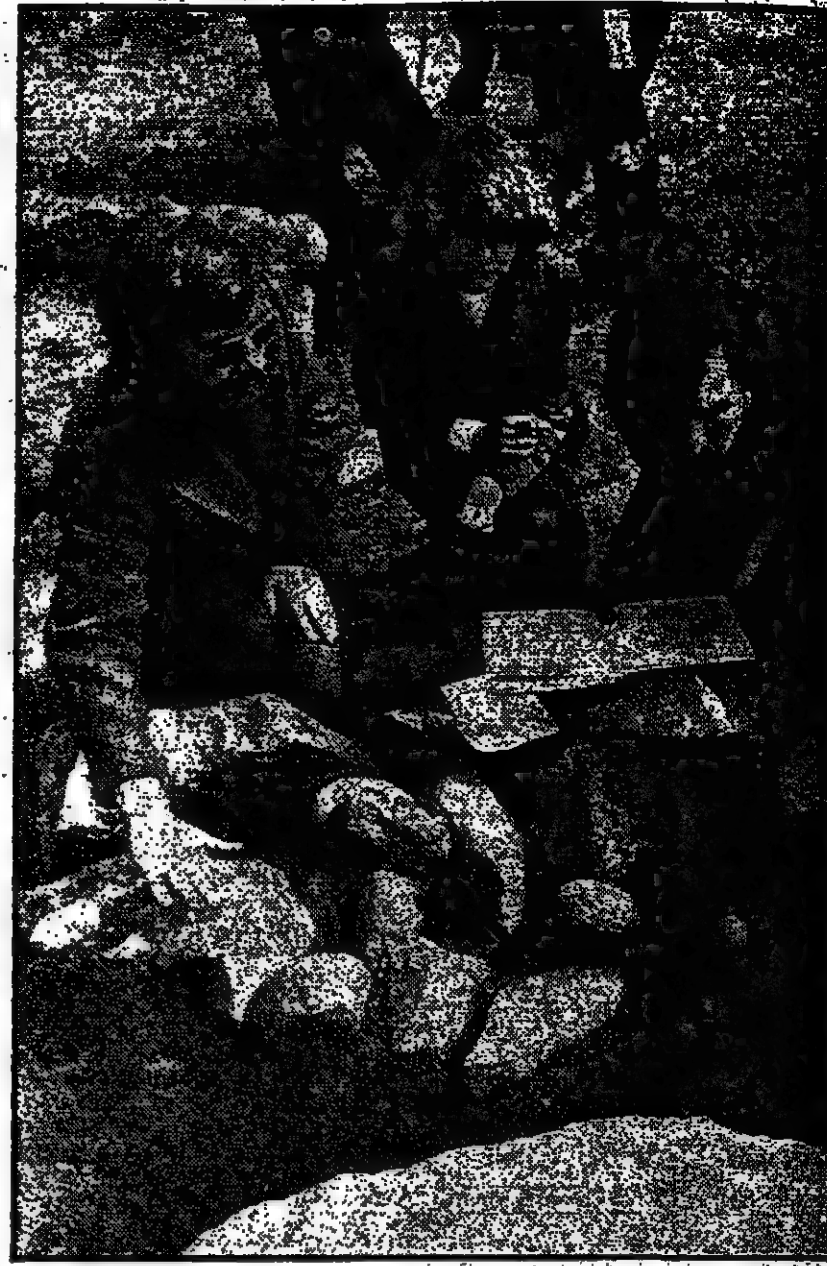
already we can visualise a prosperous life based on rich land and sea resources which, within its first few hundred years, reduced the dense oak forests in favour of an agricultural landscape of villages, fields and woodland reserves much like that to be seen by the modern visitor.

The enduring monuments of the period are the great stone temple-tombs, declarations of ancestral rights and duties and natural rallying points for a tribal society. Scattered along the western coast the sites of La Varde, Le Trépied and Le Creux à Pates are impressive testimony to this lost world. The finest is the Déhus, a splendid and complex construction of massive granite slabs, one carved with a figure of a bearded archer unmatched elsewhere in Europe.

In the churchyards of Côté and St. Martin's are female graves, carved about 2000 BC and comparable only with two in southern Brittany. The St. Martin's figure, known fondly as La Gran'mère, is of special interest, having been resculpted with a new hairstyle, face and cape in the Roman period, and still attracting offerings of fruit and wine until recent times.

The Bronze Age remains obscure although occasional finds hint at a part in wide-ranging Atlantic trade. By the end of the Iron Age archaeology and history combine to attest to established merchant shipping routes, and on the south-east tip of the island the Jerbourg fortifications protect two good natural harbours.

The author is an assistant keeper, department of prehistoric and Romano-British antiquities, The British Museum.



Dr Ian Kinnes (right) examines finds at the L'Ancrese neolithic site. He is Mr and Mrs John Libou, members of the archaeological section Société Guernesiaise, who made the original discovery.

ST HELIER DIARY

one else here can provide."

Grid grumbles

Plans to link Jersey with the French national electricity grid by an under-sea cable are being considered. The scheme, which would eliminate the island's total dependence on oil for the generation of its electricity, would cost between £1m and £15m—depending on whether or not the cable is buried beneath the seabed.

The Jersey Electricity Company sees the link as the island's only immediately practicable answer to its increasing demand for power; dependence on oil has meant a succession of price rises, of which the latest, announced at the beginning of this month, was 19 per cent.

Officials of the company have had discussions with Britain's Central Electricity Generating Board, which plans to establish a similar cable link with France, at a possible cost of £400m.

The Jersey scheme will not be used until its opponents among islanders, even if it

does mean that electricity prices may stabilize. The French Electricity Generating Authority is committed to a policy of building nuclear power stations, and its installations on the Cotentin peninsula, close to the Channel Islands, are a focus of criticism for groups concerned with dangers to the environment.

Light and fruity

Jersey wine may one day be as renowned abroad as are the island's potatoes, tomatoes and cabbages. For the past nine years, Robert and Ann Blayney have run a five-acre vineyard at La Mare in the northern parish of St. Mary. Last year producing 4,000 bottles for commercial sale, in a good season output can rise to 7,000 bottles.

Rather than competing on the mass market, the Blayneys aim to produce a wine of consistent characteristics and quality which will win an international reputation. To this end they take much of their advice from the Viticultural Research Institute at Geisenheim in the Rheingau.

Clos de la Mare, as their wine is called, has the light and fruity quality of wines from Alsace. Its nose is immediately reminiscent of a hock, but it has a deliberate crispness which Rhine wines often lack; a higher acidity is allowed to persist in the must than is permitted in most German wines. During the Queen's visit to Jersey in 1978, a specially produced Clos de la Mare Jubilee Reserve was served at a celebration dinner; it is said to have met with royal approval.

The Blayney family is about to celebrate 150 years in the wine trade. Until 1968 they owned a Newcastle wine-shipping company, since taken over by Vaux Breweries which their forebears founded in 1831.

Racially pure

Mr Peter Walker, Britain's Minister of Agriculture, was among those who showed a lively interest in an exhibition of Jersey cattle held earlier this month at the Foira de Paris.

Visiting the show with his French counterpart, M. Pierre Méhaignerie, he saw

a Jersey yearling bull and four heifers in calf at a stand organized by the Royal Jersey Agricultural and Horticultural Society. Thousands of inquiries have been received from French and other European cattlemen, a spokesman for the society said.

The export of Jersey's one of the success stories of the island's agricultural industry. About 200 head of cattle have been shipped in the past two years to various far-flung destinations, including Libya, the United States and Brazil. Recently, for the first time in 25 years, a small consignment was allowed into Australia after the lifting of import restrictions.

Eugenic policies are vigorously pursued, and importing is strictly forbidden. Breeders and farmers are equally determined to maintain the pale, doe-eyed ideal of their herds and the yield of high butter-fat milk which goes with it.

Jammed

A fifth multi-storey car park is to be built in Jersey, at an estimated cost of £2,814,000—five times the amount spent on the last

Robert Shipk Peter Wain

ST PETER PORT DIARY

Competing with Las Vegas

Sixty-five delegates who arrive in Guernsey tomorrow for a chemical company's sales conference are among several thousand the island will be entertaining this year.

Although Guernsey went seriously into the conference market only three years ago, it is already earning at least £2m annually from this off-season business. The main venue is the Beau Séjour leisure centre on the outskirts of St. Peter Port, opened in 1976, which has successfully handled meetings of up to 1,200. About £500,000 is to be spent over the next year on new facilities at the centre.

In May the island will be hosting what is probably its most cosmopolitan conference so far with 300 engineers coming from 25 countries.

Marguerite Frossard, a director of the local agency handling the arrangements, said: "This company's last conference was in Las Vegas, which shows that Guernsey is now competing successfully in the international market."

Winning museum

A 60-strong party of Merseyside museum enthusiasts arrives in Guernsey on Friday for a culture-crammed weekend at the centre of an architectural tour of St. Peter Port. The town is recognized to contain some of the most charming Regency buildings in the British Isles, but the big draw that inspired the trip was the Guernsey Museum and Art Gallery.

In 1979 it was winner of the British Museum's Year Award. Last month, it represented Britain for the European Museum of the Year Award, held in Brussels, and was one of eight in an entry of 22 new museums from 12 different countries to be specifically commended.

From 1938 to 1971, when it was closed because the roof leaked, the treasures of Guernsey's past were displayed in an old church. The ancient monuments committee finally convinced islanders that their heritage was a worthy investment and a £200,000 purpose-built museum was opened at Candie Gardens in 1978.

Mrs Rona Cole, the curator, and Mr Robert Reed, the designer, headed a team of five that put the museum together, to tell the story of Guernsey.

At first, Mrs Cole worked by torchlight in the unheated church, unlit by an axe and boots. She said: "We had our dreams and nightmares about how it would all turn out, but they never included an international award."

Patriotic pounds

A new set of currency notes issued this week by the States of Guernsey is the first to be printed by Thomas de la Rue & Co since the island introduced its own paper money in 1816. And, by coincidence, the founder of the famous firm of banknote printers appears on the £5 note (see details below).

Jet power catamaran Mrs Kathleen Dorey, managing director of a Guernsey company, Condor, that runs

hydrofoil services between the islands and France, will be visiting Norway (April 11) to watch the sea trials of a new type of high-speed craft.

The brain-child of the former chief designer to the Royal Norwegian Navy, Captain Harald Hennrichsen, it is a jet-powered catamaran with a top speed of 39 knots and seating for 260. Condor is to be the first to put it into service in early May.

Since they were introduced in 1964, Condor's hydrofoils have carried more than three million passengers between St. Mary, Jersey, Sark, Guernsey and Alderney. The operation was pioneered, initially against big technical difficulties, by the late Peter Dorey, an expert on high-speed marine travel.

Tragically, Mr Dorey was lost overboard in last year's Fastnet race—a loss mourned by the whole local community. As Guernsey's "chancellor", he was the island's leading politician.

Vintage auction

The Guernsey Railway Co is holding an auction of vintage rolling stock on Thursday but the collectors it is expected to attract will not be looking for steam locomotives.

For this is the island's bus company—formed in 1888 to run trams from St. Peter Port to St. Sampson. Twenty-three buses dating from 1933 to 1958, each with its certificate of first registration, are on offer. To replace the old-timers, regarded with amused affection by many holiday-makers, 23 buses and six coaches are being shipped in. Before this could happen, the island Parliament had to pass legislation allowing the company an extra two inches. Formerly, vehicles were restricted to a width of 7ft 4in.

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Jet power catamaran Mrs Kathleen Dorey, managing director of a Guernsey company, Condor, that runs

BY THE FINANCIAL EDITOR

Calm before the Budget

Not surprisingly, financial markets remained calm yesterday but to what extent they are going to be enlivened by the Chancellor, from mid-week onwards remains to be seen. The key issues on Wednesday are obviously going to be the overall shape of the Budget package and what Sir Geoffrey has to say about the short-term prospects for interest rates.

Yesterday's news of a recovery in retail sales in February—albeit that the savings ratio was exceptionally high towards the end of last year—is just the sort of thing to stir doubts as to the timing of recession; and so long as there are doubts as to the timing of the recession, markets can all too rapidly create a chain of thought that leads to questions over what happens to bank lending and monetary control post the forecast.

Meanwhile, yesterday's National Income and Expenditure figures confirm the growing pressures on the corporate sector, an overall surplus of £541m in 1978 giving way to a deficit of £4,706m last year. Presumably the position of the manufacturing sector alone was still worse.

Peterson, Zochonis

Relying on Nigeria

Shares in Peterson, Zochonis have outperformed the market by over a fifth in the last three months and interest in the company has risen. The non-voting "A" shares, which were 5p higher at 22.5p, yielding 6.2 per cent and selling on 4.1 times fully-taxed earnings this year, there is a good chance that the relative strength will continue, although the group has always been cautiously rated.

The secret of course is Nigeria, which, in spite of the diversification of recent years, remains the backbone of the group. And the Nigerian economy is now recovering on the back of the recent oil-price rises. This has already been reflected in the 55 per cent rise in the share of associated companies' profits to £2.09m.

In spite of this, half-year profits were in fact £3m lower at £8.93m. Soaps and household cleaning products in the United Kingdom had a difficult time in a very competitive market, which was further aggravated by a four-month strike in Liverpool. But continued progress in Nigeria should more than offset the downturn in the group's first-half profits, and £14m for the year looks a reasonable target.

Peterson, Zochonis has been spending heavily on the manufacturing operations in Nigeria. They accounted for the bulk of 1978-79 £18m investment, and production is being expanded. But the bulk of profits relating to Nigeria comes in the form of commission, exports to the Nigerian associate for which the United Kingdom side acts as a buying agent, which helps to limit the group's exposure to political risk.

Takeover bids

Advertising after Spillers

Spillers sprightly cartoon advertising campaign in the national press last year failed to beat off the bitterly contested £76m bid from Dalgely. But the cartoon's leading character, Fred the Flourgrader, lives on to haunt the Takeover Panel and the Council for the Securities Industry.

In the Panel's view at least one of Fred's acid attacks on the Dalgely board went beyond the pale and as a result advertising bids are now high on the agenda of the CSI sub-committee which is currently considering revisions to the City Code.

The pronouncement in question included an allegation that Dalgely had made currency losses of £13m. Spillers was duly pressed by the Panel into issuing a qualification pointing out that the "losses" concerned were incurred on a straight-forward transfer into sterling of foreign currency assets and liabilities of subsidiaries.

The Spillers fight is history now. But the Panel's fear is that in future bid battles, qualification statements may not be sufficient to redress the damage caused by an ill-considered ad, which leaves the CSI with a tricky conundrum.

Options for controlling this area of campaigning range from a ban on advertising to leaving things much as they are while perhaps giving the Panel greater powers of censure.

Unfortunately, the most obvious solution—that advertisers should be strictly confined to information contained in an offer or defence document—is not entirely satisfactory to the Panel which fears that the compressing of information or highlighting of points in isolation could be just as dangerous.

This view, however, is slightly disingenuous—after all the press invariably



Mr Patrick Neill, chairman of the CSI.

has neither the space nor the inclination to go beyond the salient and newsworthy points in their coverage of takeover battles. So why should advertisements be viewed differently?

That view may seem equally over simplistic. But it does seem that to deny a bidder or defender recourse to any means of placing its case in front of shareholders would be a doctrinaire step.

And perhaps this is an area where control should continue to be exercised by exhortation and moral suasion rather than recourse to the rule book, though any advertisement should, of course, be prepared with the same care as an offer document. The rules here are quite clear.

William Collins

A sorry chapter

After one of the toughest years on record, Britain's publishers are still living on hopes of a happy ending to the current saga of flagging sales, high stock write-offs and tapering margins. For the time being, however, there is precious little in the scenario to provide any optimism.

The major Glasgow house, William Collins, for example, which plunged into losses at the interim stage has, in spite of some second-half recovery, conceded that the outlook is extremely bleak on almost every front.

An £828,000 deficit at the interim stage has been reduced to one of £303,000 for the full year after six months in which Collins has taken forced to take remedial action in the form of heavy redundancies and shut-downs. This deficit is in stark contrast to the previous year's £3.3m profit and the fact that the dividend has been waived comes as no surprise.

Through the sale and leaseback of its St James Place offices and other properties, the group has been able to more than cover the £3m plus costs of a fierce rationalization programme.

At the same time borrowings have been cut by £1.8m to £14.6m—about half shareholders' funds—although they could still represent a considerable burden unless there is a dramatic improvement in the book market. Elsewhere there seems little likelihood of respite from library spending cuts.

Collins claims to have a much stronger list for 1980 particularly in fiction with new titles from Maclean and Innes, but interest in the shares will centre more on assets of over £2 a share and faint bid hopes than the prospects for a significant recovery this year.

The ordinary shares fell 8p to 96p yesterday, while the non-voting "A" shares, which have more than halved over the past year recovered 3p to 76p.

Nicholas Hirst

Are there gushers at the bottom of the garden?

In 1974 more oil was discovered offshore in the United Kingdom than was found in the same year in Texas. That discovery at Wytch Farm in Dorset—by the Gas Corporation on a licence owned jointly with British Petroleum—brought a resurgence of interest in offshore exploration. Oil prices had long been high and much smaller accumulations could profitably be developed than had been possible in the past.

Oil had already been found in quantity under the North Sea and it is tempting to believe that chance had prevented the discovery of more of it offshore. In the United States prices rises have made wells producing less than ten barrels a day worth while investments, yet there has been nothing approaching the scale of the search for oil in the United Kingdom.

A fraction of the 10,000 wells drilled each year in America might produce many new finds. A well offshore is cheaper, much easier to drill and a far easier to exploit. A new flurry of activity looked a certainty.

It did not happen. Instead onshore exploration drilling declined; in 1974, 1975 and 1976, only a few wells were drilled each year; in 1977 there were six and in 1978 only two.

There were several reasons. Effort was concentrated on the development of Wytch Farm, planning permission was difficult to get and the price of oil fell.

Then in 1977 drilling at Wytch Farm found a second, deeper well which greatly increased the reserves. This April the upper reservoir will be producing 4,000 barrels a day, but development of the deeper structure is still in the early stages.

That second discovery has made the prospect of the opening of a new oil province onshore even more attractive. A change in the system of awarding production licences to include the British National Oil

Corporation as a 51 per cent partner in the Wytch Farm venture has delayed a resumption of drilling, but with the rise in oil prices over the past 15 months and the ending of BNOC's right to partnership, interest has once more turned into action.

Three wells have already been started and a fourth, which was awarded a production licence in Staffordshire with BNOC under the old rules, has an exploration rig operating.

British Petroleum is drilling at its first site in the North Sea, Dorset, to see if the structure at Wytch Farm is repeated there with another deeper, more prolific reservoir, and Cairn Exploration has just started drilling at Humby Grove, four miles south of Gloucester.

Very little drilling has been done below 5,000ft and although the obvious structures have been tested and the easiest finds made, there must be industry thinks—be prospects left to develop.

More is known about the surface geology of Britain than probably any nation in the world, but surprises remain. Very little drilling has been done below 5,000ft and although the obvious structures have been tested and the easiest finds made, there must be industry thinks—be prospects left to develop.

It would be odd if there were not more to be found, but it is not going to make a great impact on the balance of payments, said Mr Tony Kirby, Cairn Exploration's director of operations and production at BP.

Production of offshore oil in the United Kingdom has a long history. It began in earnest with discoveries at Forth, in Lancashire and Bakke in the East Midlands in 1939. Output by 1943 was 115,000 tonnes (one

tonne is approximately seven barrels). The 1943 fall burst but by 1964 127,491 tonnes was being produced from a dozen fields in the East Midlands.

The discovery by BP of Wytch Farm and the later production from Forth, have helped to make up for falling production from some of these fields and gave an output of 120,000 tonnes in 1979, which will be higher this year. By North Sea standards—76 million tonnes was produced in the North Sea last year—it is minute. But there is money to be made.

Reservoirs discovered offshore are unlikely to be subject to petroleum revenue tax. The allowance of 250,000 tonnes production per six months free of PRT should remove liability from all but the largest finds. But costs are not sufficiently low to justify drilling on the off-chance.

In the mid-1950s to early 1960s BP was producing oil at attractive tax advantages. BP employed 950 men on exploration and production. The drilling department operated several rigs and worked regular shifts. There were a few BP rigs in 1964 but by the early 1970 only 110 people were employed.

This figure has since risen. But only one rig in the United Kingdom is capable of drilling below 5,000ft. Rigs have been brought in from abroad, but compared with the United States, the cost of exploration is high.

In West Texas a 2,500ft well might cost \$100,000 to sink. A total production of only 20,000 barrels (the well for exploration is up) at the \$45 a barrel which is being commanded by indigenous production, produces a 30 to 35 per cent return. In the United Kingdom such a well might cost £200,000. This is not enough drilling to allow the cost to fall.



Source: BP

BP would like to drill six wells this year, but planning delays will probably only allow it to drill three. There are hopes for permission to drill a second well to test the find on a first. As a result the 10 barrel-a-day well, which is economic in the United States, needs to be 50 barrels a day in the United Kingdom even with a fairly high success ratio.

Expensive mistakes have been made in the past. Home Oil found a well in Lancashire, near Bakke, and developed it only to see it run out more quickly than expected. There is no doubt, however, that exploration is about to pick up despite the risks.

Cairn Exploration is convinced that the Wytch Farm find must indicate the possibility of other hydrocarbon deposits in the North Sea. The problem, as Mr Kirby explained, is that although there are attractive

structures and the same Jurassic age rocks which produce oil in the North Sea, there is a lack of good reservoir rock to trap oil concentrations.

There could be other Wytch Farms, but it is a long shot. Elsewhere, in Lancashire and the east Midlands, oil is associated with coal deposits. It comes from a much earlier geological age—the Permian—which produced the southern North Sea gas fields and is likely to produce more oil only in small deposits, which are difficult to find.

In the far north of Scotland, the geology of the North Sea is minutely repeated and there are hopes of a find there. The new explorers hope that the greatly increased oil price and vastly superior seismic equipment will make their searches worthwhile.

It is too early yet for Surrey farmers to buy ten-gallon bats.

China trade: stripping away the myths

David Hewson

terminated to conduct its trade in a way which does not aggravate its foreign exchange problems.

China has been offered a large number of projects backed by large low interest loans, but there is a marked reluctance among the leadership to enter into long-term borrowing arrangements without knowing where it will make the money to meet its requirements.

More welcome are the joint ventures which are now springing up on the border near Hong Kong, Shenzhen, for instance, in the Pearl River Delta, a border town with a population of about 300,000 and a traditional supplier of provisions for export to Hong Kong, was upgraded to municipal level in March, 1979, and has attracted a number of joint ventures ranging from a shoe factory to a small plant assembling buses.

China's pre-war stance and her use of previously damaged forms of enterprise seem to be here to stay and they resulted in imports from the West increasing by two thirds to about \$7,000m last year.

But, if the opportunities are there, they are hard to take advantage of, for Peking is de-

Most are partnerships with Hongkong firms. A typical example is a glove factory which employs 170 workers paid between £30 and £33 a month (lower than Hongkong rates for the equivalent job).

The Hongkong partners invested £60,000, which is paid back by an annual 20 per cent reduction in the tax on production charged by the Chinese authorities. Over five years the tax liability is extinguished.

The 70 such ventures working in Shenzhen late last year were earning China about £3m a year in production taxes. Priority will go to industries which provide foreign currency—the tax is paid in Hongkong dollars—advanced technology, and the training of workers.

The same principles are likely to hold when it comes to awarding the larger contracts. Peking wants knowledge as well as foreign exchange; its aim is to become a modernised industrial country by the turn of the century.

For Britain to play her part in the modernisation of China businessmen will be required

to enter into barter agreements. These are not popular with the British Government.

Such agreements are complicated, often a combination of cash and goods, with the goods sometimes having to be split in three countries.

Britain's continuing success in the Chinese market will depend upon the skill of British businessmen in adapting to these unaccustomed trading methods and, in addition, on their learning to do business with people who have a radically different approach to negotiations.

It has become plain for instance, that some contracts have been lost because British companies have inserted large negotiable margins into their tenders in the full expectation that they would be talked down on a fixed price. This may be a common practice in the West, but the Chinese are very accurate in costing tenders and dislike seeing quoted prices which are artificially inflated before negotiation. The companies which take this into account are the ones which will win contracts.

Business Diary: Sir Phil and Sir Geoff • Cider with Ambrosia

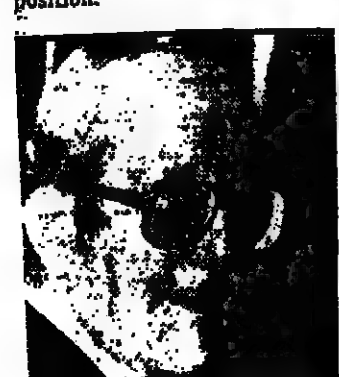
Sir Philip Haddon-Cave, Financial Secretary to the Hongkong Government (and effective Chancellor of the Exchequer), flew home from London at the weekend after talks on defence without calling on his friend Sir Geoffrey Howe.

"I know what it is sorting out a budget. I was not going to bother him at this of all times," Sir Philip told Business Diary.

Of the British economy Sir Philip said: "I would not like to tackle your problems—but don't think we haven't got any ourselves. It might be slightly uncharitable to say so, but what we need to do is get unemployment up."

Full employment, he went on, meant it was difficult for growing industries to attract labour as quickly as needed.

Hongkong, too, has inflation 12 per cent last year, twice the previous year's figure. That is an official figure, which some say understate the position.

Photograph: Chris Ball
ongkong's Sir Philip Haddon-Cave: "What we need to do is get unemployment up."

Stockbrokers do not need much excuse to wrap themselves around beer glasses but William Legge-Bourke can claim that it is less indulgence than devotion to duty.

Legge-Bourke specialises in food and drink, both as a partner in stockbrokers Grieson Grant and as the owner with his wife of a little pub. This is the Northgate Cider Mill in Crickhowell, Powys, which Eggon Ronay's new pub guide, out today, puts into the Pub Food Much Above Average section. This is partly due to manager Tony Ambrose's beer and atmosphere and partly to wife Barbara's "changing seasonal menus".

Ronay's inspector liked her "splendid" Fisherman's Pie of fresh salmon and white fish topped with creamed potato, with Cider Syllabub to follow. If and when I get to Crick-

John Lippin is the latest of a growing number of civil servants who are finding the private sector attractive even though they could look forward to further preferment within the Civil Service.

Although not due to become associate director of the giant GEC for another three months, the former deputy secretary in the Department of Industry is already settling in and looking forward to a spot of free enterprise, after shaping government industrial policy under both Labour and the Tories.

Ron Dearing, Lippin's contemporary, crosses his old league's deal (industrial and commercial policy and industrial planning). Dearing's successor in charge of air, Concord, shipbuilding policy and posts and telecommunications should be announced shortly.



Grieson Grant's William Legge-Bourke in London yesterday: beer and atmosphere.

howell, I will be tempted to try the Theakston's Best and Marton's Pedigree Bitters before,

Stanley Gibbons, doyen of stamp dealers, is about to signal a policy of expansion, under his new parent, Lestrat, with the announcement of a managing director, Denis McDonald. McDonald collects wine but not stamps.

He is enthusiastic about Stanley Gibbons' future in the market for "collectibles"—bonds, coins, playing cards, as well as the traditional stamps which he discovered when he came in with a team from management consultants McKinsey to overhaul the company's systems and examine its potential.

His appointment releases chairman Howard Fraser to pursue his first love—buying stamps.

during and after the meal.

As with all good pubs, the Northgate has a history. It has been in the family estate of the stockbroker's wife, the Hon. Mrs. Legge-Bourke, for 100 years and was licensed for cider only until 20 years ago. It became a "pub" in 1960, when four years ago the Legge-Bourkes and the Ambroses took over.

Legge-Bourke told me yesterday: "I learn as much about the food and drink sector from Tony Ambrose at the share end of the business as I do from the brokers' annual reports."

"I seem to spend most of my Saturdays at the pub going through the books and seeing what we should be doing next time. My wife says there is a problem," Legge-Bourke says.

Moonlight Recordings, the studio at Cookham, Berkshire, owned by Gus Dudgeon, producer of most of Elton John's albums, is in liquidation.

Dudgeon called in Nicholas Lyne of London, before running up tax problems to the tune of "not far off £500,000". Ironically, this week Dudgeon starts recording a comeback album for Gilbert O'Sullivan, of whom Lyne has been heard lately.

Dudgeon says that he is confident that this is not his own swansong; artists and entrepreneurs in the business think highly enough of him and the studios intact—and since he has been the only customer hitherto, he is likely to be around the place for some time to come.

Ronnie Royston, the 51-year-old businessman with a reputation for building up small companies to sell to even larger ones, is back this time trying to get the United Kingdom's depressed textile industry to cut its costs according to his cloth.

In London yesterday for a fleeting visit after three years in America as consultant to Carborundum, the group which paid £16m cash for his successful Weyburn Engine Group in 1977, Royston said he is investing £750,000 from his own pocket to start a new private company, Apparel Computer Services, which helps firms to make the most economic use of cloth.

Reading about the British textile trade is well depressing. Using this system we can cut between 1 and 7 per cent from costs. Fabric cutting is about 40 per cent of all costs.

"I think this system has a great future in upholstery, luggage and anywhere patterns need to be cut out of material without waste." His first bureau opens in London next month.

The celebrated packed lunch which will be eaten by the 3,000 or so delegates to the annual meeting of the Institute of Directors in London tomorrow will contain a new ingredient, the 1979 new-look lunch. One person will not be trying it, however.

It is guest speaker Shaikh Yaman. As a Muslim, the Saudi Arabian oil minister can take neither the claret nor the pork starter which also contains alcohol. He is having grapefruit and cold instead.

Ron Davies



TAC HeavyLift can swallow an entire film unit, shown here, including lorries and camera gaudies, in its 84ft long hold.

RAF workhorses don mufti

After working with the Civil Aviation Authority for 16 months to gain a certificate of airworthiness, TAC HeavyLift has begun flying the first of a fleet of five Belfast giant freighter aircraft from Stansted airport, Essex. The Beliefs were formerly operated by the Royal Air Force.

The arrival of this new capacity is likely to have a significant effect on the world air cargo market and particularly the end of it which specialises in the carriage of large and awkward loads.

Belfasts are ideally suited for such cargo. Each can carry a payload of 34 tons in its hold and this measures 44ft long by 16ft wide by 13ft high.

The first load carried by the first civil Belfast consisted of commercial agricultural machinery between Amsterdam and Libya. Captain P. J. McGoldrick, managing director of the company, said that he expects the aircraft to move oil-rig and related equipment, large aerospace assemblies (the airline is discussing a five-year contract to shift BAC 1-11 parts from Wichita to Romania).

large vehicles and whole helicopters.

From the date of the first commercial service the first Belfast was committed for two and a half months, the leads including three Westland Sea King helicopters for India and 60 tons of exhibition material being returned to Britain from an aerospace show in China.

The airline claims that the Belfast is the only other civil freight aircraft capable of swallowing the 10 feet high pallets designed for the Boeing 747 jumbo jet freighter.

Although the Belfast is smaller and slower than the all-freight jumbo, it is much cheaper to operate with its four Rolls-Royce turbo-prop engines—which also makes it much quicker than jet. Captain McGoldrick said: "The whole project has come to the boil just at the right moment economically as the price of fuel goes up and up."

One of the main prop-works of the air freight world is the Lockheed Hercules, but Captain McGoldrick said: "You can put a Hercules inside the Belfast, it

has twice the volume of that aircraft and can carry 50 per cent more weight."

The first TAC HeavyLift Belfast will be joined this summer by a second and by the end of the year by a third. Two more aircrafts await engines for which negotiations are going on with Rolls-Royce.

Ten Belfasts were originally produced by Short Brothers and Harland for the RAF in the early 1960s and although still "low mileage" aircraft, were pensioned off under a defence cut in 1977. TAC HeavyLift bought five and Rolls the other five. One of these has gone to a museum and the other four have been scrapped.

TAC HeavyLift shareholders in which Sir Conrad (two thirds) and Eustace A. Arden (one third), paid £5m for the Belfasts. Captain McGoldrick is confident from the initial market response that there will be a big call for their immense capacity. He foresees them operating in operation until the end of the century.

Arthur Reed

THE TIMES

BUSINESS NEWS

ock markets
Index 427.2, down 2.7
Gilt 84.19, down 0.09

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1835, up 40 pps
dex 72.2, up 0.2

ollar
89.6, up 0.3

old
55.5, up \$36.5

oney
nth sterling, 18-184
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nth Euro-5 181-194

N BRIEF

ysler
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Aysler Corporation will have bigger losses this year than it had estimated and its prospects for the next year are distinctly pre-according to the company's losses in the quarter are likely to be more than the \$376m loss in quarter.

er gave warning in a statement for new debentures, with interest and exchange rates, that acceptance of bonds would drive the company into the red in the autumn.

It said lack of signifi- cant for the new cars drive consequences.

slar probably would not to implement the rest persing and product id probably would be to seek value under rumpy Code, in which chacters of debentures e likely to lose their investment.

strong
dollar rose strongly nost currencies year- intervention by some n central banks slowed ance. It closed at 0. after touching 5. against the mark- clined again, ending s, gaining 0.2 points ffective index to 72.2 of its end 1971 value.

d aid
British Leyland was re- in 1975, the company 950m from public Comomons reply stated. f this the Government unced a further £300m company in 1980/81.

il consortium
e Oil, an all-British m of private investors tutions has been set up ly for exploration in the forthcoming on for the United North Sea and English areas. It will be by Premier Consolide- els.

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aimed at averting about undancies at the Widnes (works of Ward Blen- l will continue this week. nions will consider nant proposals that the kers should go on to in.

assets' safe
was no danger of the States freezing Arab it did to Iranian hold- retaliation for the seize American hostages in Mr. Mohammed Ali- the Saudi Finance told the Saudi news- li-Riyadh.

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ury credit
nsury is to introduce card trial scheme at rders using Access and ard.

Cabinet energy committee likely to back British nuclear reactors

By Nicholas Hirst

Britain's nuclear industry is expected to get the go-ahead later this week to continue with the first stage of the Government's programme of nuclear expansion.

All the indications were that the Cabinet committee on energy which was meeting last night would agree with the recommendation of the Central Policy Review Staff, the government "think tank", that the orders for advanced gas cooled British-designed reactors at Heysham in Lancashire and Torness in Scotland should not be scrapped.

Fears that the nuclear programme would be drastically curtailed had spread as a result of the Prime Minister's request that the CPSR should report before the Budget on the effect on the nuclear supply industry of the cancellation of the reactors.

The CPSR has been made against a background of a reduction in the forecast growth in electricity demand by the Central Electricity Generating Board which overpumped its cash limit by £200m last year as a result largely of coal stockpiling in advance of a rise in consumption which never happened.

A combination of a mild winter and reductions in the growth forecast had thrown the level of the nuclear programme announced by Mr David Howell, the Secretary of State for Energy, in December of building a new station for the next 10 years, into doubt.

It was feared that the Prime Minister might decide that the nation could no longer afford the two British AGRs and delay the programme to the next year, when a new American-designed, pressurised water reactor planned for 1982.

Strong support for continuing

with the British AGRs has come from the CEBG, but within the Government there has been pressure to concentrate on a single reactor system.

There have been doubts on whether after a decade without any nuclear orders at all, the industry is capable of splitting its resources to build both types.

There would however be political dangers in cancelling the AGRs. It would have a devastating effect on Northern Engineering Industries, whose design has been chosen and redundancies would spread to other nuclear component suppliers.

There is also no guarantee yet that the PWR will ever be built in Britain. Doubts have been voiced about its safety. Sir Alan Cottrill, a former government chief scientist, expressed his doubts about the pressure vessel to the Parliamentary Select Committee on Energy.

Its safety will have to be agreed by the Nuclear Installations Inspectorate and the Government is bound to hold a public inquiry before it can go ahead.

The Government has also been concerned that it should retain the support of the Opposition for its nuclear strategy. The Labour Party has remained committed to building the AGR. If Heysham and Torness were scrapped, the bipartisan approach essential for an industry with such long lead times could be lost.

But if electricity demand continues to be sluggish, the CEBG may need to borrow more heavily to finance the nuclear programme than had been expected.

It had been worried that its cash limit of £167m agreed on the November White Paper on public spending would be cut back which would have made postponement of the AGRs a certainty.

Tighter CEBG checks after false claims

By John Huxley

Central Electricity Generating Board officials have tightened contract control procedures after disclosures that about £250,000 has been paid out on false claims relating to power station maintenance work.

The irregularities came to light during a routine internal audit in the board's south eastern region. It showed that some employees of contractors working on about a dozen power stations had submitted claims for hours they had not worked.

So far, almost £40,000 has been recovered from several contractors. Disclosures on the rest are continuing. It is understood that agreement has already been reached on the repayment of some £55,000, but that further refunds of about £160,000 are in dispute.

A regional official said yesterday that legal action to recover the outstanding money was not being considered. Nor

were the contractors involved being disqualified from under- taking future maintenance work at CEBG's 160 or so power stations.

The contracts are mainly ancillary ones, relating to major maintenance work, such as scaffolding. The board does not intend to write off any of the money, but expects to recover all that can be proved to be falsely claimed. Obviously, the calculations on which these claims are based are quite complicated.

The official added that the companies—none of which was named—had carried out the work contracted for, so there was no question of the board withholding payment.

The board's south eastern region expects to spend about £70m on maintenance work this year, against some £61m last year. Rounding charges carried out in the CEBG's other regions and divisions failed to reveal similar practices.

Accountants agree on inflation rules

By Adrienne Gleeson

The long-drawn-out dispute among accountants over the way in which companies should show the effects of inflation in accounts, appears to be over. The governing councils of the six professional organisations which make up the Consultative Committee of Accountancy Bodies, have now agreed on a common method of adjusting for inflation, which will be published next week as a standard for the profession, to be known as SSAP 16.

The new standard will be based on an expert draft, which was published last April. The exposure draft provided for four principal adjustments: for the increased cost of replacing stocks; the increased cost of replacing capital equipment; the effects of inflation on monetary working assets, and the benefits of borrowing at a time when the value of money is declining.

Exposure draft 24 followed a

series of proposals throughout the 1970s, for adjusting company accounts to show the effects of the fall in the real value of money.

One party within the accountancy profession favoured an adjustment reflecting the cost of replacing stocks and capital equipment. Another favoured adjustments to reflect the current cost of maintaining a continuing business.

However, within this latter camp—which has won the day—there have been various sub-sections devoted to the merits (or otherwise) of making further adjustments for the impact of inflation on the value of borrowings.

The most dramatic moment in the debate came in June 1977, when members of the Institute of Chartered Accountants in England and Wales voted overwhelmingly to reject the first of the current cost proposals put forward by Mr

Douglas Morphet's Inflation Steering Group.

Following that rejection, the accountants suggested a temporary compromise—the Hyde guidelines—which incorporated adjustments for increases in the cost of replacing stocks and capital equipment.

Companies were free to incorporate a supplementary statement in their accounts, showing the effects of applying the Hyde guidelines, or not. Perhaps one quarter of quoted companies have done so.

The new standard, when published, will initially apply to all quoted companies producing accounts during the year beginning in January 1980. It will also apply to other "large" entities within the definition put forward in the EEC's Fourth Directive—that is, entities with two of the three following: turnover of £5m plus; assets of £2m plus; or more than 250 employees.

This means that it will also

apply to nationalised industries.

An adjustment to ED24, made at the last moment, provides that there should be no adjustment for borrowing in the profit and loss account of the nationalised industries, and that interest on their net borrowings should be shown after tax and extraordinary items.

This was included in the draft standard at the last moment, in order to get around the political problems which would otherwise have arisen in trying to obtain the consent of all the ministries involved.

Under another last minute adjustment, inserted at the request of the Scottish Institute, it has been agreed that where the accountants feel that an alternative gearing adjustment would provide more of a true and fair view than that allowed by the standard, it may be included provided that the basis on which the adjustment is made is fully explained.

Dispute over GEC refusal to meet bankers' bill

By Philip Robinson

A dispute has arisen behind the scenes over General Electric Company's refusal to meet in full a bill from J. Henry Schroder Wagg, the merchant bankers who tried unsuccessfully to fight off the electrical company's bid for Aversys last year.

Although both sides are playing it down, it is understood that the bankers' account, believed to be below £200,000, was presented last November when the bid went unconditional and has still not been paid.

It is now the subject of negotiations between Sir Arnold Weinstock, GEC's chairman, and Mr Stanley Graham, company secretary of Aversys, confirmed that the group had received the bill.

Companies have been feeling increasingly distressed at the size of merchant bankers' bills, for corporate finance work, while the bankers argue that financial advice of this kind involving highly experienced corporate finance personnel, cannot be cheap.

GEC last night declined to talk about the dispute publicly, but it is understood that it views the bill as "substantial" and says there is a prima facie case for it being so high.

Mr Stanley Graham, company secretary of Aversys, confirmed that the group had received the bill.

"It has not been settled and negotiations are taking place. I cannot tell you how much the bill was, but I cannot comment further," he said.

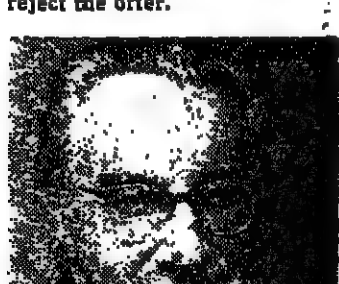


Mr John Hall: continuing discussions.

Schroder Wagg said discussions were continuing. "Some people have queried bills before. The trouble is that the bills of the defending company effectively get passed on to the successful bidder."

The fierce battle by GEC for Aversys lasted most of last year. The bid was first launched in January and was referred to the Monopolies Commission the following month. The merger was cleared last September, and after GEC increased its offer, by a further £8m, the bid was declared unconditional in November with acceptances from holders of 55.8 per cent of Aversys equity.

Throughout the battle Schroder Wagg, acting for Aversys, advised shareholders to reject the offer.



Sir Arnold Weinstock: GEC views the bill as too high.

It is understood there is a general feeling at GEC that new rules are needed to curb the possibility of a lost defence.

It is felt that if a company defends a bid and loses, but in doing so obtains more for shareholders, it should be up to those shareholders to pay part of the defence bill.

The system of defence and who pays the cost would then be along the lines of the American system which is far more formal.

It is widely thought that one part of GEC's negotiations with Schroder Wagg will include a breakdown of their services during the takeover.

Whitehall chief to join GEC board

By Peter Hill

Industrial Editor

Whitehall has lost one of its top civil servants to the private sector of industry. Mr John Lippitt, a deputy secretary at the Department of Industry, is joining Sir Arnold Weinstock's GEC as an associate director.

Mr Lippitt has remained committed to building the AGR. If Heysham and Torness were scrapped, the bipartisan approach essential for an industry with such long lead times could be lost.

Mr Lippitt, who has been in charge of industrial and commercial policy and industrial relations at the Department of Industry since 1975, has also played a leading role in the activities of the National Enterprise Board. It was widely expected that he would have received a further promotion to Permanent Secretary level had he stayed in the Civil Service.

His move is a further example of the growing trend of senior civil servants who have moved out of Whitehall to top jobs in the private sector.

His appointment to a totally new post at GEC was referred to the Advisory Committee of Business Appointments chaired by Lord Diamond, and was approved by the Prime Minister. He was approached by Sir Arnold shortly before Christmas last year and will report directly to the GEC managing director.

Last night Mr Lippitt said of his transfer: "I think I am a fair swap for Mr Robin Ibbotson, the ICI director who is head of the Civil Service's think tank with the rank of Permanent Secretary."

"It seems to me that senior civil servants, subject to the rules which are known, should go outside. This two-way movement is wholly desirable in a modern society and it is something which our competitors do."

Mr Lippitt, whose present salary of about £20,000 a year is expected to double in his new post, was attracted by the scope and challenge which the job offers but it could lead to some controversy in view of his previous links with GEC. He will be bound by the terms of the Official Secrets Act.

Business diary, page 17

Dividends rise sharply despite fall in company profits

Living standards rose sharply in the last three months of last year as pay packets were swelled by tax rebates, according to official figures published yesterday.

Much of the effect of last June's Budget income tax cuts was felt in the months between October and December. Real personal incomes, after allowing for inflation, thus rose by nearly 5 per cent between the third and fourth quarters of 1979.

However, there had been a slight fall in real incomes in the previous three months as a result of the higher value-added tax.

Savings went up in the last three months of last year as people put aside some of their increased income. The savings ratio, which measures savings as a proportion of income, rose from 16 per cent to 16.5 per cent. This compares with a figure of 15.7 per cent for 1979 as a whole. It is likely that consumers will spend some of their

savings in the early part of this year.

Company profits fell last year, excluding the lucrative North Sea sector. After stock appreciation, industrial and commercial companies outside the North Sea had a fall of 5 per cent in profits between 1978 and 1979. The North Sea sector saw a doubling of profit levels between the two years. Profits from the North Sea now account for a quarter of British company profits.

Despite the bad profits figures, companies last year boosted their dividend payments by record amounts. Between the first and second half of the year dividends went up by 70 per cent.

There were two main reasons for the sharp rise. The relaxation of dividend control at the end of July, 1979, meant that some large companies paid out dividends which they had been holding in anticipation of the ending of controls.

Grand Metropolitan nearer Liggett bid

By Peter Wainwright

Grand Metropolitan Hotels, the £630m conglomerate whose interests include Watney Mann and Truman beers, Express Dairies, Boral Inns and Peter Dominick, is one step nearer making a full bid for Liggett & Meyer.

Liggett & Meyer is an American conglomerate distributing J & B whisky in America, Pepsi Cola franchises, and last June decided not to sell its big cigarette business in Chesterfield, Lancashire, and L. & M. has in 1978 sold its foreign cigarette side to Philip Morris for \$108m.

Mr Raymond Mulligan, president of Liggett group said in a statement that Grand Metropolitan had bought on the open market 8.5 per cent of Liggett common stock.

Liggett added that the information came in a 13-D statement filed with the United States Securities and Exchange Commission last Friday. Grand Metropolitan made applications in December 1979 under the Anti-trust Improvement Acts to allow it to buy up to 15 per

cent of the group's outstanding shares.

Grand Metropolitan reserved the right to change its application so that it could buy more than 15 per cent, the Liggett statement said.

In an angry response Liggett said it had no way of knowing how many shares the British group wanted or how much it was willing to pay.

It recalled that Grand Metropolitan wanted Liggett's Austin Nichols drinks division and it had indicated that if it acquired Liggett, it might sell some of the operations other than those in drink.

Liggett is consulting Merrill Lynch White Weld, its investment banker, and also its lawyers to protect the interests of shareholders.

Mr Mulligan said: "We cannot allow the threat of a possible acquisition of control through market activities or by a non-negotiated bid to force the sale to Grand Metropolitan of our alcoholic beverage business."

Union stand on status of shipbuilding

By Peter Hill

Shipbuilding workers yesterday delivered a tough warning to the Government of the consequences of any move to return the shipbuilding industry to private ownership. Delegates representing more than 75,000 workers employed by British Shipbuilders said that any attempt by the Government to alter the nationalised structure of the industry would be rejected.

The stand taken by unions affiliated to the Confederation of Shipbuilding and Engineering Unions was announced at a conference at Newcastle upon Tyne after indications that the Government had started preliminary moves to carry through its manifesto commitment to return the industry to private ownership.

Whitehall officials are, however, now preparing the ground for denationalization of the industry since such a move would require legislation.

Mr Adam Butler, Minister of State for Industry with responsibility for shipbuilding, has stressed that it remains the Government's intention to carry through its commitment "at the appropriate time". The candidates most likely to be offered to the private sector are the warship building yards of Vickers, Vosper Thornycroft on the south coast, and Yarrow on the upper Clyde.

After the meeting yesterday Mr Ken Baker, national industrial officer of the General and Municipal Workers Union and a part-time member of the board of British Shipbuilders said:

"If the Government attempts to divorce the warship builders they will be doing great damage to the industry at large."

It is understood there is a general feeling at GEC that new rules are needed to curb the possibility of a lost defence.

It is felt that if a company defends a bid and loses, but in doing so obtains more for shareholders, it should be up to those shareholders to pay part of the defence bill.

The system of defence and who pays the cost would then be along the lines of the American system which is far more formal.

It is widely thought that one part of GEC's negotiations with Schroder Wagg will include a breakdown of their services during the takeover.

PRICE CHANGES

sun	4p to 53p	Gus	4p to 382p
and	10p to 40p	Wiley Ltd	3p to 44p
ring	19p to 415p	Star Farm	5p to 188p
	6p to 132p	Vaal Reef	5p to 557p
	2p to 235p	Viking	60p to 1080p
river	1p to 75p	Rediff	4p to 124p
	2p to 182p	Rediff Int	4p to 183p
ov	3p to 300p	Shedley	5p to 167p
in	5p to 660p	Sony	10p to 320p
	2p to 196p	Unilever	4p to 416p

THE POUND

Bank	Bank	Bank	Bank
buys	sells	buys	sells
1.5	2.05	1.5	2.05
5ch	20.50	20.50	20.50
Fr	71.75	68.25	71.75
Fr	2.63	2.56	2.63
Kr	13.30	12.75	13.30
Mk	8.90	8.50	8.90
Fr	9.80	9.40	9.80
DM	4.31	4.09	4.31
Dr	89.00	85.00	89.00
15	11.35	10.75	11.35
15	1.12	1.08	1.12
15	1955.00	1875.00	1955.00
n	545.00	540.00	545.00
nds	4.71	4.48	4.71

Former Haw Par chairman asserts his innocence and says he will appeal

Mr Richard Tarling freed from Changi jail

Mr Richard Tarling, freed today after 122 days in prison in Singapore yesterday, said that he was innocent of any crime and was determined to prove it.

The British businessman was sentenced to six months' jail by the Singapore High Court last November for violating local company law when he was the chairman of Haw Par Brothers International, a subsidiary of the Slater Walker Group.

"I maintain that I was innocent of any crime. I remain more than ever convinced that whatever my own level of involvement, nothing wrong was done," Mr Tarling said.

Accompanied by Mr Howard Cashin, his lawyer, Mr Tarling said that he had lodged an appeal here against his conviction. The appeal will come up for hearing on April 23.

Mr Tarling was held in solitary confinement for the first two weeks of his jail term and then transferred to the maximum security section of Changi jail.

Although he had lost more than 10 lb during his confinement, Mr Tarling said: "I am well, fit and in good spirits. I was the only European and a short sentence prisoner in the maximum security prison."

"I was well looked after by both the officers and fellow inmates. I had access to reading material and also received some letters from my family and friends while I was in jail."

Mr Tarling was extradited from Britain in March last year and was convicted on five charges under the Singapore Act eight months later after a 65-day trial.

Although freed on bail pending appeal, he decided to surrender himself and serve the sentence to hasten his return home.

Under Singapore laws, the Appeal Court could enhance, reduce or squash any jail sentence. It could also reverse the conviction handed out by a lower court.

"I have served the sentence and have been living for four and a half years with a set of allegations which were admittedly reduced to a fraction."

"I have served four months in prison—pretty horrendous in isolation. I am innocent and in fact there was no crime at all," he added.



Mr Richard Tarling: leaves Singapore for home on Thursday.

Aquis Securities Limited

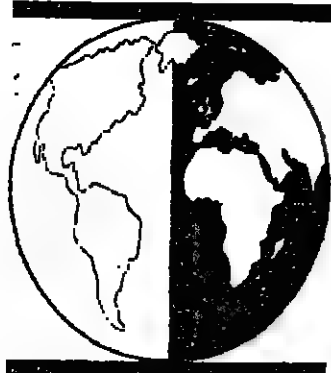
PROPERTY INVESTMENT & DEVELOPMENT

Extracts from the Accounts and the Review of the year ended 31st December, 1978 by the Chairman, Mr. Harold Quinman.

(With comparative figures for the year to 31st December 1978)

- * Net profit before tax £394,008 (1978: £519,758)
- * After taxation £275,765 (1978: £195,472)
- * Proposed Final Dividend of 0.5 pence per share making a total of 0.725 pence per share for the year, (1978 total: 0.725 pence)
- * Group retained profits carried forward £353,719 (1978: £260,110)
- * Market value of portfolio represents a further asset backing of 24 pence per share (1978: 16 pence per share) before tax.

Annual General Meeting will take place at noon on Thursday, 24th April 1980 at the Clarendon Court Hotel, Maids Vale, London W9 1AG.



Japan ends credit help for import promotion

Japan has abolished its import financing credit system because of its continuing trade deficit. With the abolition of the system, which was established in 1970, the country had now eliminated all the major mechanisms aimed at promoting imports, Bank of Japan officials said in Tokyo.

The Bank of Japan kept the system in effect moribund all through last year by keeping the interest rate of loans deliberately high. It took the formal step because the country's trade balance had remained in the red consistently since last July.

Licence for Mitsubishi

BP Chemicals has licensed its phenol-formaldehyde technology to Mitsubishi Petrochemicals Co for use in a 100,000-ton-a-year phenol plant to be built in Kashima, at a cost of 10,000m yen (£18.4m).

Moscow steel talks

Japanese steel teams have left for Moscow for talks on the sale of ship plates to the Soviet Union, Nippon Steel Corp said.

Motor vehicles peak

West Germany's new motor vehicle registrations totalled 252,107 units in February, a record for the month, exceeding the previous February high in 1979 by 8.6 per cent, according to the Federal registry of motor vehicles. General registrations were also up 15.3 per cent from January.

£46m boilers ordered

Deutsche Babcock AG has won a DM200m (£46.7m) order for two Benson boilers from Deamark's 1/5 Midkraft. The coal-and-oil fired boilers will drive 350 megawatt turbines in the town of Aarhus, the company said in Oberhausen.

Oil output down

Venezuela's oil production so far in 1980 averaged 2.19 million barrels a day, which compares with the 2.36 million figure for the same period last year, the energy and mines ministry said in Caracas.

Opportunities for UK companies to supply capital goods and expertise

Directors see Rhodesia's potential

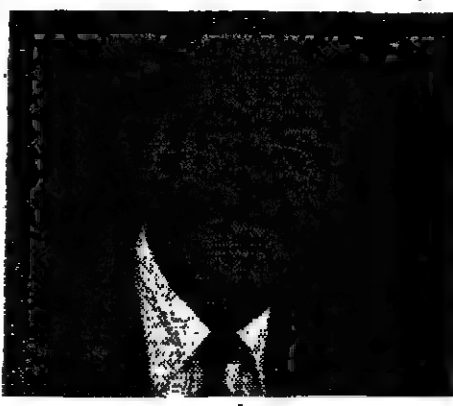
Southern Rhodesia is ripe for a period of economic expansion that could be transformed into a boom of dramatic proportions. If there is an upturn in world trade. This is the main conclusion of a report published yesterday by the Institute of Directors which sent a seven-member mission to Rhodesia in January. It was led by Mr James Moorfoot, chairman of Kodak, and was the first such group to arrive in Salisbury after the lifting of sanctions.

The report says that rapid expansion could be accompanied by an increase in the inflation rate, now about 14 per cent. The immediate need is for foreign investment—although Rhodesia is in a position to generate foreign exchange earnings fairly rapidly—and expertise.

Indeed, the mission believes that the principal question mark hanging over Rhodesia remains political.

Companies considering trading in the country will want to take account of what has occurred: the transfer of power from a white-dominated capitalist government to a black-dominated nationalist government, with the attendant pressures this change is likely to involve for radical measures.

Mr Walter Goldsmith, the Institute's director general, said yesterday: "If the new government achieves stability and en-



Mr James Moorfoot: led delegation to Rhodesia.

courage the participation of free enterprise in the regeneration of the country's economy, then there are very real opportunities for new and substantial business."

The mission found that the Rhodesian economy, far from being in a state of collapse after 15 years of isolation, had taken on a new strength in several sectors.

It is self-sufficient in food, has little foreign debt and runs a surplus on trade.

However, the report envisages a growing employment problem as the present 500,000 jobless is swollen by returning refugees.

The report says that the best opportunities for British companies are to supply capital goods and expertise rather than consumer goods. Markets with the greatest export potential are power, mining, agriculture, the railways and telecommunications.

According to a five-year development plan published by the Rhodesian government in January, last year, a minimum of 900m Rhodesian dollars, or about £600m, would be required from international sources to fund public capital projects valued at R53,500m.

The directors are convinced that British companies cannot expect to resume automatically the dominant position they once held in Rhodesia.

"There will be competition and the challenge will be a test of the commitment of British companies to succeed in overseas markets. Success will not come to those who stay at their desks. Direct, personal contact vital."

Rhodesia, 1980. Director, Publications, 116 Pall Mall, London, SW1E 9JL.

John Huxley

Survey casts doubt on 20 pc pay increases

Figures published by the Department of Employment last week which showed that earnings were rising faster than at any time in the past four years were heavily distorted because of comparison with the previous winter of industrial unrest, according to a report by Reward.

The Reward findings argue against the figure of 20 per cent being accepted as the going rate for wage settlements. They are not, however, accepted by the Department of Employment which believes its original estimates are nearer the mark.

The report, which bases its findings on a sample of 12,343 individual cases, claims that the level of basic wage settlements is between 13 and 17 per cent. These figures tie in with the findings of the Confederation of British Industry which reported last week that 52 per cent of all pay deals notified to its Databank since last August had been for increases of 15 per cent or less.

The Department of Employment's average earnings index reported that earnings in January had been 15.9 per cent earlier than a year earlier, according to some industrialists, 20 per cent as the expected goal of future pay claims.

Reward claims that this figure was heavily distorted because the month with which it is compared was during the peak of

last winter's industrial unrest.

The average earnings index takes into account money from all sources, including overtime and shift allowances which, Reward claims, are liable to fall during a period of severe industrial disruption such as occurred in January 1979.

The return to normal working meant that this year's figures, which included income above basic wages, were compared with January 1979 figures which did not contain such elements.

The Reward figures are based solely on details of basic wages provided by employers, professional institutes, and appointment and recruitment consultants. The details come from junior management positions upwards and around 90 per cent of the cases examined are in the private sector.

The group says that recent high awards have been largely confined to the public sector and quasi-nationalized industries, with additional boosts of the nature of Clegg Commission awards.

It predicts that final salary increases for 1980, excluding extra holiday, guaranteed overtime and productivity bonuses, will be two points either side of 15 per cent. "This average figure hides an increasing number of very different settlements," the report says.

*Reward Salary and Living Cost Report No 15 March 1980, £40.

Fears for control of satellite broadcasts

The impact on the film industry of technological change in the three areas of video reproduction, satellite television broadcasting and cable television is discussed in a White Paper published yesterday.

Satellite broadcasting in particular is likely to have a big effect on the distribution and exhibition of British films, the report says, and one which will not always be under British government control.

The framework for direct broadcasting from satellites was set at an international conference in 1977. Each country was allocated a number of television channels (normally five) and a satellite position in geostationary orbit.

The transmission beams from each national satellite would give full coverage of the country concerned, with minimum overlap into other countries. In practice, however, some overlap would be inevitable.

"There is no theoretical reason that films should not be broadcast over a satellite channel in the same way as they are already transmitted over existing television channels," the report says. "To receive the satellite channels direct in the home from a United Kingdom satellite system would merely require a standard television set to be equipped with a dish aerial 0.9 metres in diameter, together with frequency conversion/channel selection equipment, costing, according to

Technology News

present-day estimates, about £200."

The programmes would be beamed directly from the satellite to an aerial which would be attached to the outside of the house, situated at ground level, or, when appropriate, on a tower available, within the roof space of the house.

"Before any United Kingdom satellite system becomes available, however," the report says, "it seems likely that satellite transmissions from outside our own country and the ability to receive programmes originating from these outside transmitters over a very large part of the United Kingdom will be upon us."

"In that event large quantities of filmed material including feature films, originating from other film-making countries (eg, the United States, France, Italy, Germany, Japan) could be transmitted over the satellite system, outside the control of the British Government, or of the British film and television industries."

The dangers and opportunities inherent in these developments should be recognized in any international discussions on satellite transmissions. Such "free" programmes would no doubt be attractive to the British viewer, but without adequate control of the distribution of films would represent an international problem.

The committee says that, in the short term, the effect on the cinema of video discs, tapes and players, is likely to be minimal.

Comparing the relative merits of the two methods, the committee stresses the two advantages of disc over tape. The raw material is less expensive and, because playing time is not a factor in copying, discs can become available quickly and in quality. Thus it seems likely that the disc will constitute the principal medium for mass sales of prerecorded films for video reproduction.

The use of a laser beam, with no physical contact, means that with normal care the disc will have an indefinite life. On the other hand, tape is flexible, simple to use and can be erased and re-used many times. The practice of recording on to tape direct from television is widespread and is expanding fast and similar recording direct on to disc may soon be possible.

Video recording will create problems of copyright, the committee notes, since the enforcement of existing copyright laws is virtually impossible. A levy on the sale of blank tapes or discs would be preferable to one on the sale of equipment. The committee recommends the early introduction of pilot schemes to test the demand for subscription television, covering many of the two million homes already capable of receiving cable television.

Such schemes should be drafted to attract the necessary capital investment and number of subscribers. Films would inevitably form a large proportion of subscription television programmes, and the potential revenue from this source was substantial—and might even remove the need for television licences.

Recent technological progress has reduced the capital cost and time needed to develop a multi-channel cable network. If British investors failed to grasp the opportunity, foreign capital would move in.

The impact of cable television would not necessarily reduce the number of cinemas, to judge from United States experience. The potential value to the film industry as a whole of exhibiting films through cable television outweighed any possible disadvantage to cinemas. The chairman of the interim committee which produced the report is Sir Harold Wilson.

*Third report of the Interim Action Committee on the Film Industry, HMSO, £1.75.

Kenneth Owen

Plastics stocks up

Stocks of bulk plastics held by Western European manufacturers rose throughout 1979, according to the Association of Plastics Manufacturers of Europe. Stocks of low density polyethylene (LDPE) stood at 325,000 tonnes and PVC at 325,000 tonnes at the end of the year.

LETTERS TO THE EDITOR

'Contractors still get a good deal from cement-makers'

From the Director of the Cement Makers' Federation, Sir, Sir Maurice Lamb in his letter of March 21 has drawn attention to the plight of contractors who find themselves squeezed between sharply rising costs and the rigid ceiling of a fixed price contract. The cement makers have much sympathy with contractors in this position and have willingly agreed to phase any future price increases so as to minimize their difficulties. The Federation of Civil Engineering Contractors has also criticized the cement industry's common price agreement which the Restrictive Practices Court has twice found to be not against the public interest.

Cement makers believe that this is still true and maintain that the agreement operates to the positive advantage of the whole construction industry. The price of British cement still compares favourably with that

of cement in other parts of the world, being only 10 to 15 per cent higher than the very efficient delivery services provided by the industry—factors which are of vital importance to contractors and other cement users. There is, of course, nothing to prevent contractors from importing foreign cement but we doubt whether they would find it economic to do so.

It is hardly necessary to point out that the cost of cement is largely dependent on the cost of different forms of energy which represents 41 per cent of manufacturing costs. The pricing system of the cement industry could fairly be described as a "cost-plus" system because, being related to the average costs of the industry and designed to produce a return on capital well below what would otherwise be required on a comparable in-

vestment, it acts as a stimulus to greater efficiency. The effect can be seen that returns to the cement industry are generally much higher than those obtained by other industries which are subject to a similar discipline. The cement industry's price of cement is undoubtedly the lowest in the industry.

Perhaps I am over-observing that the cement industry, in its remaining value-making, any claim to a "cost-plus" system, and its true nature in this way, is a "cost-plus" system.

H. J. PINNOCK, Director, Cement Makers' Federation, 52 Grosvenor Gardens, London, SW1W 9AA, March 24.

North-South economics

From Mr Alan Roe, Sir, Like your correspondent, Lady Jackson and Robert Wood, I am much encouraged by the favourable response which has so far been accorded to the report of the Brandt commission. However, Brandt has been less than rigorous in making the case for the necessity of faster growth in the North and South.

In the conduct of macro-economic policy, with the consequence that this aspect of the report is left exposed to criticism of the type alluded to in Professor Bauer's article in your column on February 5.

More specifically, in chapter three, the commission's report asserts that the effects of a pump priming operation mounted by the North through fund transfers and the like to the South, would be to increase the differential from the effects of a boost to the northern economies through the standard, but currently unfashionable, device of monetary and fiscal expansion. This proposition is supported by two arguments. The first, which the commission takes to be relatively unimportant, is that the former policy would be less inflationary because it might direct demand to industries having excess capacity.

The second argument is that the inflationary effects of enlarging Northern exports would be offset by the counter-inflationary consequences of enlarged Northern imports from the South. Unfortunately, the second

argument begs all the important and difficult questions about what causes inflation. When account is taken of all the money supply, exchange rates and other consequences, it is far from clear that an export-led expansion of activity is any less or more inflationary than a government expenditure-led expansion.

Fortunately, other arguments probably can be adduced to support the basic Brandt view. For example, Francis Crispin in the Cambridge Economic Policy Unit's report of March 1979, demonstrated that the growth of world trade can be increased by raising the share of world trade going to countries whose output is constrained by balance of payments difficulties. Although his policy prescription is self-evidently in conflict with the view of the commission, his argument might equally well be employed to support increased aid and other resource transfers to such countries. Acceptance of the Crispin line of argument, which Brandt does however carry the implication that some Northern economies, notably those that are clearly not afflicted by balance of payments constraints, have a heavier responsibility in the implementation of Brandt than those such as Britain.

ALAN R. ROE, Senior Lecturer in Economics, Department of Economics, University of Warwick, Coventry CV4 7AL.

Efficient coal extraction

From Dr E. C. B. Corlett, Sir, One's satisfaction over the good news that a large coalfield has been discovered in central Warwickshire, with seams up to 20 feet in thickness, is tempered by the statement that out of the 2,850 million tons it is estimated to contain, only 350 million would be recovered.

This is an appalling comment on the inefficiency of extractive methods and points to a dreadful waste of natural resources. Perhaps it is that at current price levels only 350 million tons can be extracted but one

must ask what is being done by the country as a whole, and the Coal Board in particular, to investigate alternative methods of extraction. These might include, perhaps, the underground clearance of coal in situ in order to raise extraction levels to something that makes sense. Surely to extract less than, say, two-thirds of the coal in such a field is a confession of technological defeat in the late twentieth century.

E. C. B. CORLETT, Cottingham, Port-El-Vallée, Ramsey, Isle of Man.

Eight years on the mend

From Mr N. P. Bray, Sir, The Reverend Michael Seward (letters March 19) is fortunate. Eight years ago, my wife sent her old rocking horse for repair by a local antique dealer intending it for use by my young daughter. The horse was just been restored, nicely refurbished, and will no doubt come in for the next generation but in the meantime, dreading

VAT has come upon us and has been included in the bill but I was assured that there was no charge for staining or livery during the eight years absence! I claim this as a record being over 3,000 days.

N. P. BRAY, Penny Farm, Holwell, Sherborne, Dorset.

Upholding standards in public relations

From the President of the Institute of Public Relations, Sir, Whenever I read a complaint from a journalist about unethical—public relations—practitioners, I cannot help but give an initial wry smile. It is all too easy for a reporter such as David Hewson (The Times March 17) to recall the minority of occasions when he has had bad service from a public relations officer rather than the majority of occasions when the service has been good.

He may not, in fact, always know when the public relations officer has been of value to him. A professional public relations officer will on occasion insist that it is in the public interest for an organisation to speak to the media when it would be all too easy for silence to be the rule: the reporter gets his quote, or his interview with the top man, without knowing that it was the public relations

officer who pushed the top man on to the stage.

Having said that it must be admitted that public relations is a comparatively young profession, and not all its practitioners are perfect. The Institute of Public Relations is working hard to improve standards, but change understandably takes time.

The IPR itself vets thoroughly applications for membership. Many people are simply not admitted, but those who are must obey the institute's code of practice, which includes a proper ethical respect for channels of communication including the press. The professional practices committee meets regularly to deal with breaches of the code, and in general its conclusions are private: Mr Hewson may not like this, but we believe that it would be unfair to the individuals concerned if we were to wash their dirty linen in public.

Mr Hewson seems to be the bread of we covered by public practitioners: these, along with the press, is a potent element, but much more to it than that. There is, in fact, a whole question of relations with local, national, European, A.P.R. who knows his way through governmental jungle, and the employment of public relations officers is ensuring that a communications effectively work for a modern PR is a guess from reading a book review.

Yours faithfully, JOHN SUDDELL, President, Institute of Public Relations, 1 Great James Street, London, WC1N 3DA, March 20.

Spelling it like it is

From Mrs Jean Se, Sir, I cannot offer you a list of amusing catalogues from a meat but not many Mr Senior ("Spells" March 17) is calling them little p h e m e n " at 70 p e n c e they may have garden?

Yours faithfully, GRAHAM S. TEL, Leisard Cottage, Peppard Lane, Henley-on-Thames, Oxfordshire RG9 1 March 19.

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BY THE FINANCIAL EDITOR

Calm before the Budget

surprisingly, financial markets need calm yesterday but to what they are going to be enlivened by Chancellor from mid-week onwards is to be seen. The key issues on Tuesday are obviously going to be the shape of the Budget package and Sir Geoffrey has to say about the short-prospects for interest rates.

Yesterday's news of a recovery in retail in February—albeit that the savings were exceptionally high towards the end of last year—is just the sort of thing doubts as to the timing of recession; or long as there are doubts as to the timing of the recession, markets can all too easily create a chain of thought that leads to a monetary control post the bank and monetary control post the bank.

Meanwhile, yesterday's National Income expenditure figures confirm the growth pressures on the corporate sector, an 11 per cent rise in 1978 giving way to an 11 per cent rise in 1979.

son, Zochonis

ying on

eria

s in Paterson, Zochonis have outperformed the market by over a fifth in the three months and interim results to 30 left the non-voting "A" shares at 5p higher at 22.5p. Yielding 6.2 per cent and selling on 44 times fully-taxed earnings this year, there is a good chance the relative strength will continue.

gh, the group has always been

secret of course is Nigeria, which is

the diversification of recent years

is the backbone of the group. And

gerian economy is now recovering on

back of the recent oil-price rises. This

ready been reflected in the 55 per cent

1 the share of associated companies

to £2.09m.

pite of this, half-year profits were

lower at £8.93m. Soaps and house-

cleaning products in the United

om had a difficult time in a very

thrive market, which was further

ated by a four-month strike in

ool. But continued progress in

a should more than offset the down-

n the group's first-half profits and

for the year looks a reasonable target.

erson, Zochonis has been spending

y on the manufacturing operations in

a. They accounted for the bulk of

the £18m investment, and production is

expanded. But the bulk of profits

g to Nigeria comes in the form of

ssion on exports to the Nigerian

ite for which the United Kingdom side

a buying agent, which helps to limit

oup's exposure to political risk.

over bids

ertising

r Spillers

s sprightly cartoon advertising

ign in the national press last year

to beat off the bitterly contested

bid from Dalgety. But the cartoon's

g character, Fred the Flourgrader,

is to haunt the Takeover Panel and

12 Panel's view at least one of Fred's

tracks on the Dalgety board went

1 the pail and as a result advertising

s is now high on the agenda of the

16-committee which is currently con-

sidering revisions to the City Code.

pronouncement in question included

tegor, that Dalgety had made

cy losses of £13m. Spillers was duly

y by the Panel into issuing a

cation pointing out that the "losses"

ned were incurred on a straight-

fy transfer into sterling of foreign

cy assets and liabilities of sub-

Spillers fight is history now. But

ne's fear is that in future bid battles

Options for controlling this area of campaigning range from a ban on advertising to leaving things much as they are while perhaps giving the Panel greater powers of censure.

Unfortunately the most obvious solution—that advertisers should be strictly confined to information contained in an offer or defence document—is not entirely satisfactory to the Panel which fears that the compressing of information or highlighting of points in isolation could be just as dangerous.

This view, however, is slightly disingenuous—after all the press invariably

has neither the space nor the inclination

to go beyond the salient and newsworthy

points in their coverage of takeover battles.

So why should advertisements be viewed differently?

That view may seem equally over-

simplistic. But it does seem that to deny a

bidding or defender recourse to any means

of placing its case in front of shareholders

would be a doctrinaire step.

And perhaps this is an area where control

should continue to be exercised by

exhortation and moral suasion rather

than recourse to the rule book, though any

advertisement should, of course, be pre-

pared with the same care as an offer

document. The rules here are quite clear.

William Collins

A sorry

chapter

After one of the toughest years on record,

Britain's publishers are still living on hopes

of a happy ending to the current saga of

flapping sales, high stock write-offs and

tapering margins. For the time being, how-

ever, there is precious little in the scenario

to provide any optimism.

The major Glasgow house, William Collins,

for example, which plunged into losses at

the interim stage has, in spite of some

second-half recovery, conceded that the

outlook is extremely bleak on almost every

front.

An £828,000 deficit at the interim stage

has been reduced to one of £303,000 for

the full year after six months in which Collins

has felt forced to take remedial action in

the form of heavy redundancies and shut-

downs. This deficit is in stark contrast to

the previous year's £3.3m profit and the

fact that the dividend has been waived comes

as no surprise.

Through the sale and leaseback of its

St James Place offices and other properties,

the group has been able to more than cover

the £3m plus costs of a fierce rationalization

programme.

At the same time borrowings have been

cut by £1.8m to £14.6m—about half share-

holders' funds—although they could still

represent a considerable burden unless there

is a dramatic improvement in the book

market. Elsewhere there seems little likeli-

hood of respite from library spending cuts.

Collins claims to have a much stronger

list for 1980 particularly in fiction with new

titles from MacLean and Innes, but interest

in the shares will centre more on assets of

over £2 a share and faint bid hopes than

the prospects for a significant recovery this

year.

The ordinary shares fell 8p to 95p yester-

day, while the non-voting "A" shares, which

have more than halved over the past year

recovered 3p to 76p.

John Lippitt is the latest of

a growing number of civil servants

Are there gushers at the bottom of the garden?

Nicholas Hirst

In 1974 more oil was discovered onshore in the United Kingdom than was found in the same year in Texas. That discovery at Wyth Farm in Dorset—by the Gas Corporation on a licence owned jointly with British Petroleum—brought a resurgence of interest in onshore exploration.

Oil had already been found in quantity under the North Sea, and it was tempting to believe that chance had prevented the discovery of oil onshore.

In the United States prices rises have made wells producing less than ten barrels a day worth-while investments, yet there has been nothing approaching the concentration of exploration in the United Kingdom.

A fraction of the 10,000 wells drilled each year in America might produce many new finds. A well onshore is cheaper, much easier to drill, and a find is far easier to exploit. A new flurry of activity looked a certainty.

It did not happen. Instead onshore exploration drilling declined; in 1971, 1972 and 1973 ten or more wells were drilled each year. In 1974 there were six and in 1977 only two.

There were several reasons. Effort was concentrated on the development of Wyth Farm, planning permission was difficult to get and the price of oil fell.

Then in 1977 drilling at Wyth Farm found a second, deeper well which greatly increased the reserves. This April the upper reservoir will be producing 4,000 barrels a day, but development of the deeper structure will give an output of four times as much.

That second discovery has made the prospect of the opening of a new oil province onshore even more attractive. It changes the system of awarding production licences to include the British National Oil

Corporation as a 51 per cent partner in all ventures may have delayed a resurgence of drilling, but, with the rise in oil prices over the past 15 months, and the ending of BNOC's right to partnership, interest has once more turned into action.

Three wells have already been started this year. Shell, which was awarded a production licence in Staffordshire with BNOC under the old rules, has an exploration rig operating at its find at Kimmeridge in Dorset, to see if the structure at Wyth Farm is repeated there.

Other wells are being drilled at Humby Grove, four miles south of Gloucester. In the next few weeks a fourth rig is expected to start work for Premier Consolidated Oilfields in Scotland.

Hopes are high, particularly among the smaller exploration companies, of finding another Wyth Farm, but neither the geology, nor the past history of exploration in the United Kingdom, is particularly encouraging.

The prospects of a gusher in the garden remain slim. More is known about the surface geology of Britain than probably any nation in the world, but surprises remain. Very little drilling has been done below 5,000ft and although the obvious structures have been tested and the easiest finds made, there must be industry think—be prospects left to develop.

"It would be odd if there were not more to be found, but it is not going to make a great impact on the balance of payments," said Mr Tony Broughton, general manager for exploration and production at BP.

Production of onshore oil in the United Kingdom has a long history. It began in earnest with discoveries at Forbury in Lancashire and Farnley in East Midlands in 1939. Output by 1943 was 115,000 tonnes (one

tonne is approximately seven barrels). This figure fell back but, by 1964, 127,491 tonnes was being produced from a dozen fields in the East Midlands.

The discovery by BP of Kimmeridge and the later production from Wyth Farm helped to make up for falling production from some of these fields and gave an output of 120,000 tonnes in 1979, which will be higher this year. By North Sea standards—76 million tonnes was produced in the North Sea last year—it is minute. But there is money to be made.

Reservoirs discovered onshore are unlikely to be subject to petroleum revenue tax. The allowance of 250,000 tonnes production per six months free of PRT should remove liability from all but the largest finds. But costs are not sufficiently low to justify drilling on the off-chance.

In the mid-1950s to early 1960s when home production attracted tax advantages, BP employed 950 men on exploration and production. The drilling department operated several rigs and worked regular shifts, seven days a week. But the ending of the tax advantages in 1964 put an end to the exploration and by the early 1970 only 110 people were employed.

This figure has since risen, but only one rig in the United Kingdom is capable of drilling below 5,000ft. Rigs have been brought in from abroad, but compared with the United States, the cost of exploration is high.

In West Texas a 2,500ft well might cost \$100,000 to sink, of which only 20,000 barrels (before the well dries up) at the \$45 a barrel which is being commanded by indigenous production, produces a 30 to 35 per cent return.

In the United Kingdom such a well might cost £200,000. There is not enough drilling to allow the cost to fall.

More welcome are the joint ventures which are now springing up on the border near Hong Kong. Shenzhen, for instance, in the Pearl River Delta, a border town with a population of about 300,000 and a traditional supplier of provisions for export to Hong Kong, was upgraded to municipality level in March, 1979, and has attracted a number of joint ventures ranging from a shoe factory to a small plant assembling buses.

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These advances appear to have been greeted with some enthusiasm by the Chinese people and there is widespread interest in the workings of western society. This is important because it dispels one of the fears prevalent when China first moved to the West, namely that the leadership and its apparent dislike of past Maoist dogmatism might prove as fleeting as the previous hard-line Gang of Four.

China's pro-western stance and her use of previously denied forms of exercise seem to be here to stay and they resulted in imports from the West increasing by two thirds to about \$7,000m last year.

But, if the opportunities there, they are hard to take advantage of, for Peking is determined to conduct its trade in a way which does not aggravate its foreign exchange problems.

China has been offered a large number of projects backed by large low interest loans, but there is a marked reluctance among the leadership to enter into long-term borrowing arrangements without knowing where it will make the money to meet its requirements.

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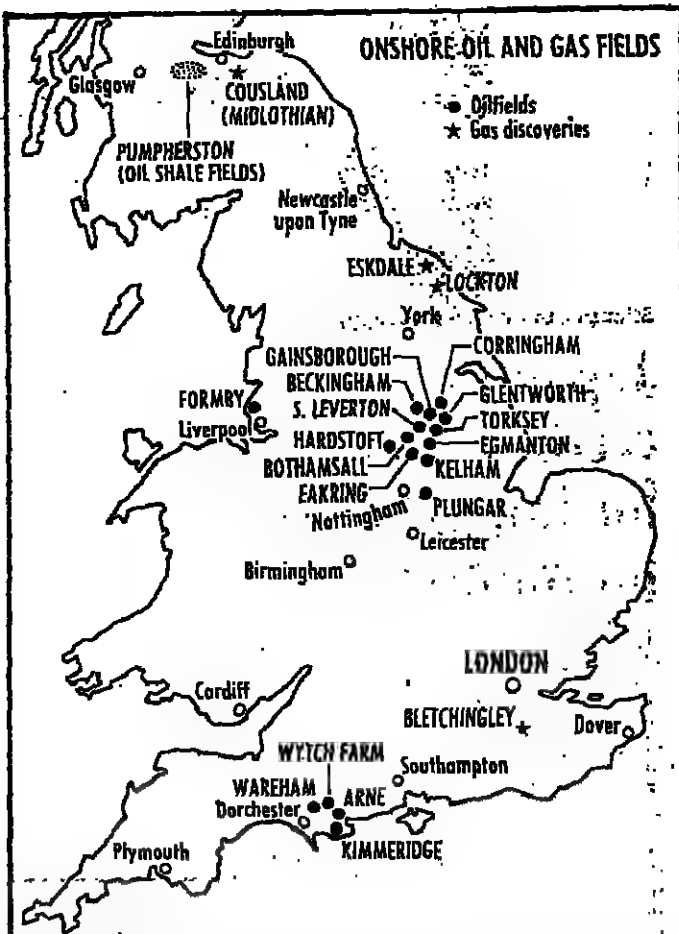
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Source: BP

BP would like to drill six wells this year, but planning delays will probably only allow it to drill three. There are hold-ups for permission to drill a second well to test the find on a first. As a result the 40 barrel-a-day well which is economic in the United States needs to be 50 barrels a day in the United Kingdom even with a fairly high success ratio.

Expensive mistakes have been made in the past. Home Oil found gas at Lockton, near Eskdale, and developed it only to see it run out more quickly than expected. There is no doubt, however, that exploration is about to pick up despite the risks.

Carless Exploration is convinced that the Wyth Farm find must indicate the possibility of other hydrocarbon deposits in the south of England. The problem, as Mr Kirby explained, is that although there are attractive

structures and the same Jurassic age rocks which produce oil in the North Sea, there is a lack of good reservoir rock to trap oil concentrations.

There could be other Wyth Farms, but it is a long shot. Elsewhere in Lancashire and the east Midlands, oil is associated with coal deposits. It comes from a much earlier geological age than the same which produced the southern North Sea gas finds—and is likely to produce more oil only in small deposits, which are difficult to find.

In the far north of Scotland, the geology of the North Sea is minutely repeated and there are hopes of a find there. The new explorers hope that the greatly increased oil price and vastly superior seismic equipment will make their searches worthwhile.

It is too early yet for Surrey farmers to buy ten-gallon bars.

China trade: stripping away the myths

David Hewson

United Kingdom as its giant cousin.

The first steps to a realistic assessment of China's importance as a new market were taken a year ago when it became clear that Peking was questioning its economic priorities and the importance of the widely optimistic development plans which had first attracted the attention of the West.

This exercise led to the cancellation of a string of the more ambitious and costly projects and a change of emphasis in industrial development.

The so-called "four modernisations"—agriculture, industry, science and technology, and defence—remain, but more attention will be given to light industry. The training of skilled managers will become an important priority.

Also, such capitalist devices as piece work, incentive payments and the beginnings of what is starting to resemble an infant consumer society have been introduced.

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Due to a computer breakdown it was impossible to update todays closing prices

* Ex dividend. a Ex all. b Foreign dividend c Earnings per share. d Interim payment passed. e Price at acquisition. f Price at which the company was sold. g Dividend and yield exclude a special dividend. h Bid price. i Pro-forma figures. j Foreign earnings. k Capital distribution. l Ex rights. m Ex scrip or share certificate. n Tax free. o Price adjusted for late dealings. Significant data.

